

ORIGINAL

NEW APPLICATION



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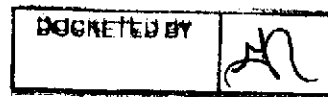
ADMITTED TO PRACTICE IN:
ARIZONA, COLORADO, MONTANA,
NEVADA, TEXAS, WYOMING,
DISTRICT OF COLUMBIA

August 4, 2014

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

AUG 04 2014



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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Re: Red Rock Utilities, L.L.C. WS-04245A-14-0295
Docket No. WS-04245A-14-
Application for Increase in Water and
Wastewater Rates and Charges

To Whom It May Concern:

Enclosed for filing are an original and thirteen copies of (i) an Application by Red Rock Utilities, L.L.C. for an increase in its rates and charges for water and wastewater service, (ii) supporting Schedules relating to the aforesaid Application, and (iii) the prepared Direct Testimony of Mark Weinberg and Thomas J. Bourassa in connection with the aforesaid Application and supporting Schedules.

By its Decision No. 73343, the Commission specified the date of August 3, 2014 as the due date for filing the aforesaid Application. Inasmuch as August 3, 2014 falls on a Sunday, the enclosed Application and supporting Schedules and related prepared testimony are being filed on the following business day, namely, August 4, 2014.

Thank you in advance for your assistance, and let me know if you have any questions regarding the enclosed documents.

Sincerely,

Lawrence V. Robertson, Jr.
Lawrence V. Robertson, Jr.

c:\users\angela\documents\larry\diamond ventures\red rock utilities\2014 rate case\dckt cntrl ltr. 8-1-14.doc

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Attorney for Red Rock Utilities, LLC

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF RED ROCK UTILITIES, LLC, AN
ARIZONA LIMITED LIABILITY
COMPANY, FOR A DETERMINATION
OF THE FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY AND FOR
INCREASES IN ITS WATER AND
WASTEWATER RATES AND CHARGES
FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: WS-04245A-14-_____

APPLICATION

Red Rock Utilities, LLC, an Arizona limited liability company ("Red Rock" or the "Company"), hereby applies for an order providing for the following: (i) establishing the fair value of its plant and property used for the provision of public water and wastewater utility service; (ii) based on such fair value finding, approving permanent rates and charges for water and wastewater utility service designed to produce a fair and reasonable return thereon; and (iii) authorizing Red Rock to defer for future ratemaking treatment and recognition certain heretofore recorded depreciation expenses for its water and wastewater divisions. In support of its request, Red Rock states as follows:

1. Red Rock is a public service corporation engaged in providing water and wastewater utility service in portions of Pinal County, Arizona, pursuant to a certificate of convenience and necessity ("CC&N") granted by the Arizona Corporation Commission

1 ("Commission").¹ During the Test Year, Red Rock served approximately 590 customer
2 connections.

3 2. Red Rock's business office is located at 2200 E. River Road, Suite 115,
4 Tucson, Arizona 85718, and its telephone number is (520) 577-0200. The Company's
5 primary management contact is Mark Weinberg. Mr. Weinberg is employed by Red Rock
6 as its General Manager; and, Mr. Weinberg is also a Vice President with Diamond
7 Ventures, Inc., which is the Managing Member of Red Rock.

8 3. The persons responsible for Red Rock in connection with this rate
9 Application are Mark Weinberg, Mr. Thomas Bourassa (the Company's rate case
10 consultant), and undersigned counsel. Mr. Weinberg's mailing address is 2200 E. River
11 Road, Suite 115, Tucson, Arizona 85718, his telephone number is (520) 577-0200, his
12 telecopier number is (520) 299-5602, and his email address is
13 mweinberg@diamondven.com. Mr. Bourassa's mailing address is 139 W. Wood Drive,
14 Phoenix, Arizona 85029, his telephone number is (602) 246-7150, his telecopier number is
15 (602) 246-1040, and his email address is tjb114@cox.net. Undersigned counsel's mailing
16 address is P. O. Box 1448, Tubac, Arizona 85646, his telephone number is (520) 398-0411,
17 his telecopier number is (520) 398-0412, and his email address is tubaclawyer@aol.com.
18 **All discovery, data requests and other requests for information concerning this**
19 **Application should be directed by email to Mr. Weinberg, Mr. Bourassa, and**
20 **undersigned counsel.**

21 4. The Company's present rates and charges for water utility service were
22 approved by the Commission in Decision No. 67409 (November 2, 2004) in connection
23 with the granting of its Pinal County CC&Ns. There have been no other changes to the
24 Company's rates since the current rates went into effect on or after November 2, 2004.

25 _____
26 ¹ The Commission in its Decision No. 70030 also has granted a CC&N to Red Rock to provide public utility water
27 service to an unincorporated portion of Pima County for the Verano Master-Planned Community. Some of the
28 infrastructure for that system has been installed, but the Company is not serving any customers at this time.

1 5. Red Rock's revenues from its utility operations are presently inadequate to
2 provide the Company a fair rate of return on the fair value of its utility plant and property
3 devoted to public service. Capital investments have been made and operating expenses
4 have increased since its rates were established in 2004. As a result, the revenues produced
5 by the current rates and charges for service are inadequate to meet operating expenses and
6 provide a reasonable rate of return. Therefore, the Company requests that certain
7 adjustments to its rates and charges for water and wastewater utility service be approved by
8 the Commission so that the Company may recover its operating expenses and be given a
9 reasonable opportunity to earn a just and reasonable rate of return on the fair value of its
10 property. In that regard, the Company proposes to use its original cost rate base as its fair
11 value rate base in this proceeding to minimize disputes and reduce rate case expense.

12 6. Filed concurrently herewith are the schedules required pursuant to A.A.C.
13 R14-2-103 for rate applications by Class "C" utilities. The test year utilized by the
14 Company in connection with the preparation of such schedules is the 12-month period that
15 ended December 31, 2013. The Company requests that the Commission utilize such test
16 year in connection with this Application, with appropriate adjustments to obtain a normal
17 or more realistic relationship between revenues, expenses and rate base during the period in
18 which the rates established in this proceeding are in effect.

19 7. During the test year, the Company's adjusted gross revenues were \$533,036
20 from water utility service, and \$477,549 from wastewater utility service. The adjusted
21 operating income for water was \$116,695, leading to an operating income deficiency of
22 \$14,239. The adjusted operating income for wastewater was a negative \$262,075, leading
23 to an operating income deficiency of \$351,024. The adjusted fair value rate base was
24 \$1,378,255 for the water system, and \$936,312 for the wastewater system. Thus, the rate
25 of return on the Company's water operations during the test year was 8.47 percent, and a
26 negative 27.99 percent for the wastewater operations.

27 8. The Company submits that these rates of return are inadequate to allow it to
28

1 obtain debt, pay a reasonable distribution to its members, maintain a sound credit rating,
2 and/or enable Red Rock to attract additional capital on reasonable and acceptable terms in
3 order to continue the investment in utility plant necessary to adequately serve customers.

4 9. The Company is requesting an increase in water utility revenues equal to
5 \$14,480, or an increase in revenues of 2.72 percent. Its requested increase in wastewater
6 revenue is \$356,955, or 74.75 percent. The adjustments to the Company's rates and
7 charges that are proposed herein, when fully implemented, will produce a rate of return on
8 the fair value rate base equal to 9.5 percent from water operations, and 9.5 percent from
9 wastewater operations. In that regard, as discussed in the prepared Direct Testimony of
10 Messrs. Weinberg and Bourassa, solely for purposes of this rate case, the Company is
11 proposing certain ratemaking treatment(s) to mitigate what otherwise would be the required
12 (and higher levels of) rate relief.

13 10. In addition, the Company is requesting an accounting order authorizing it to
14 defer for future ratemaking treatment and recognition certain heretofore recorded
15 depreciation expense for its water and wastewater divisions. The circumstances
16 surrounding and the reasons why such an accounting order is appropriate are discussed in
17 the prepared Direct Testimony of Mr. Bourassa.

18 11. Attached hereto as **Attachment 1** are water plant descriptions and a
19 completed water use data sheet for the 2013 calendar year.

20 12. Filed in support of this Application is the Direct Testimony of Mark
21 Weinberg, providing an overview of Red Rock; and the Direct Testimony of Thomas J.
22 Bourassa, which provides an overview of the Company's rate filing, discussion of the
23 revenue requirement, including the "A" through "F" schedules, and the "G" schedules,
24 development of the rate base and income statement adjustments, cost of equity capital and
25 related issues, proposed rates, including the "H" schedules, and discussion of the effects of
26 the proposed rates on customers' bills.

27 WHEREFORE, Red Rock requests the following relief:
28

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P. O. Box 1448
Tubac, Arizona 85646

1 A. That the Commission, upon proper notice and at the earliest possible time,
2 conduct a hearing in accordance with A.R.S. § 40-251 and determine the fair value of Red
3 Rock's plant and property devoted to providing water and wastewater utility service;

4 B. Based upon such determination, that the Commission approve permanent
5 adjustments to the rates and charges for water and wastewater utility service provided by
6 Red Rock, as proposed herein, or approve such other rates and charges as will produce a
7 just and reasonable rate of return on the fair value of the Company's utility plant and
8 property; and

9 C. That the Commission authorize such other and further relief as may be
10 appropriate to ensure that Red Rock has an opportunity to earn a just and reasonable return
11 on the fair value of its water and wastewater utility plant and property and as may
12 otherwise be required under Arizona law.

13
14 RESPECTFULLY SUBMITTED this 4th day of August, 2014.

15
16 By Lawrence V. Robertson, Jr.

17 Lawrence V. Robertson, Jr.
18 P. O. Box 1448
19 2247 E. Frontage Road, Suite 1
20 Tubac, Arizona 85646
21 Attorney for Red Rock Utilities, LLC

22 ORIGINAL and thirteen (13) copies of the
23 foregoing Application, together with the related
24 Direct Testimony and Schedules, were delivered
25 this 4th day of August, 2014, to:

26 Docket Control
27 Arizona Corporation Commission
28 1200 W. Washington St.
Phoenix, AZ 85007

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF RED ROCK UTILITIES, LLC, AN
ARIZONA LIMITED LIABILITY
COMPANY, FOR A DETERMINATION
OF THE FAIR VALUE OF ITS UTILITY
PLANTS AND PROPERTY AND FOR
INCREASES IN ITS WATER AND
WASTEWATER RATES AND CHARGES
FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: WS-04245A-14-_____

APPLICATION

DIRECT TESTIMONY OF

MARK WEINBERG

August 4, 2014

LAWRENCE V. ROBERTSON, JR.
ATTORNEY AT LAW
P. O. Box 1448
Tubac, Arizona 85646

1 PREPARED DIRECT TESTIMONY
2 OF
3 MARK WEINBERG
4

5 **Q.1 Please state your name and business address.**

6 A.1 My name is Mark Weinberg. My business address is 2200 East River Road, Suite 115,
7 Tucson, Arizona 85718.
8

9 **Q.2 What is the purpose of your testimony at this time?**

10 A.2 I am presenting Direct Testimony on behalf of Red Rock Utilities, L.L.C. ("Red Rock") in
11 support of its contemporaneously filed Application for an increase in the rates and charges
12 for water and wastewater service provided by Red Rock in its Pinal County, Arizona,
13 service area. In that regard, the term "water" as I will be using it includes sales of effluent
14 pursuant to rates previously authorized by the Commission.
15

16 **Q.3 What is your relationships with Red Rock?**

17 A.3 I am its General Manager, and I have held that position since the inception of the company
18 in 2003.
19

20 **Q.4 Do you have any experience in the water and/or wastewater utility industry prior to**
21 **your association with Red Rock?**

22 A.4 Yes. From 1982 to 1987, I was employed by Foothills Water Company in connection with
23 the management and operation of its water and wastewater systems. From 1987 to 1995, I
24 was employed by Canada Hills Water Company in connection with the management and
25 operation of its water and wastewater systems in the northwest area of metropolitan
26 Tucson, when they were acquired from Foothills Water Company. I concluded my
27 relationship with that company when its water system assets were acquired by the Town of
28

Oro Valley, Arizona in 1995.

Thereafter, I commenced employment with Diamond Ventures, Inc. in Tucson as a Vice President in 1995; and, my responsibilities included managerial oversight of Spanish Trail Water Company and Saguaro Water Company, each of which was owned in whole or in part by Mr. Donald Diamond. In that regard, my managerial oversight role with respect to Saguaro Water Company ended in 2011, when that company was acquired by an unrelated third party, but it continues with respect to Spanish Trail Water Company.

Q.5 Will anyone in addition to you be presenting Direct Testimony on behalf of Red Rock in connection with its Application for an increase in its rates and charges for water and wastewater service?

A.5 Yes, Mr. Thomas J. Bourassa, a utility rate analyst and consultant, a recognized expert in this area who has previously testified on many occasions before the Commission. Mr. Bourassa has prepared the various schedules which are being submitted in support of Red Rock's Application; and, he will also be submitting Direct Testimony discussing those schedules and Red Rock's rate increase request.

Q.6 What circumstances occasion Red Rock's rate increase Application at this time?

A.6 Red Rock's Pinal County water and wastewater certificates of convenience and necessity ("CC&N") were granted to the company by the Commission on November 2, 2004 in Decision No. 67409. The Eighth Ordering Paragraph of that decision directed Red Rock to

"... file a rate application for its water and wastewater systems no later than three months following the fifth anniversary of this Decision including the information required in Finding of Fact No. 32." [Decision No. 67409 at page 13, lines 12-14]

Because development of the Red Rock Village master-planned community occurred at a slower pace in subsequent years than was anticipated at the time Decision No. 67409 was issued, Red Rock requested two (2) separate extensions of the due date for filing the rate application ordered by Decision No. 67409. Each of those requests was granted by the

Commission in Decision Nos. 71499 and 73343, respectively; and, the due date for filing the rate application was extended to August 3, 2012 and August 3, 2014, respectively. Red Rock's filing of the required rate application at this time satisfies the aforesaid requirement from Decision No. 67409.

Q.7 What circumstances caused the pace of development of Red Rock Village to be slower than anticipated in late 2004, when Decision No. 67409 was issued?

A.7 There have been two (2) major factors. The first was a change in the ownership of the developer of the Red Rock Village master-planned community. The second was the 2008 financial crisis and subsequent recession, the effects of which substantially and adversely impacted the homebuilding and development industries in Southern Arizona, as well as the entire State of Arizona and the nation as a whole.

With respect to the first major factor, at the time Decision No. 67409 was issued, it was anticipated that Red Rock Village would be developed over a ten (10)-year period, and that Red Rock's owner, Diamond Ventures, Inc., would be the master developer. In that regard, it was contemplated that the master developer would prepare block plats for six (6) development phases, and the block-platted property would then be sold to individual developers and homebuilders who would develop individual subdivisions within Red Rock Village upon receipt of approval from Pinal County. However, in 2005, the Red Rock Village master-planned community project was sold to Pulte Homes, a national home builder company with an established and well-regarded record for developing master-planned communities throughout the United States. That change in project ownership, in turn, affected the development timeline for Red Rock Village, as Pulte Homes formulated its own development plans. Illustrative of this is the fact that Red Rock did not commence water and wastewater service to its first customer until August 3, 2007, or approximately two and three-quarters (2 ³/₄) years after Decision No. 67409 was issued.

As previously indicated, the second major factor affecting the pace of development

1 of Red Rock Village was the 2008 financial crisis and the subsequent prolonged economic
2 recession. In that regard, the Commission is fully aware of this circumstance, as evidenced
3 by its granting of numerous requests in subsequent years for extensions of compliance
4 filing deadlines for affected public service corporations, including the aforementioned
5 extensions granted to Red Rock in Decision Nos. 71499 and 73343.

6
7 **Q.8 What was the relevance of the slower than anticipated pace of development of Red**
8 **Rock Village upon the decision of Red Rock to request two (2) extensions of the due**
9 **date for filing the rate application ordered by Decision No. 67409?**

10 **A.8** Succinctly stated, because of the relatively small customer base which existed within the
11 Red Rock Village community vis-à-vis the value of the plant in service that was necessary
12 to provide safe and reliable service, the company was concerned that a rate increase
13 providing a fair and reasonable return on its investment potentially could result in "rate
14 shock" to its customers in Red Rock Village. In that regard, the following excerpt from
15 Decision No. 73343 accurately reflects the thinking of the company in August of 2012:

16 "The Company reports that in March 2010, when Decision No.
17 71499 was issued, Red Rock had 527 customers, and that currently it
18 has 575 customers. The Company states that its internal review
19 indicates that if a rate case were filed by the current August 3, 2012,
20 deadline, both the water and wastewater divisions would warrant
21 significant rate increases. The Company asserts that the effects of
22 the 2008 financial crisis and recession continue to burden the
23 homebuilding industry in southern Arizona. As a result, the owners
24 of Red Rock have concluded that filing for a rate increase at this
25 time would not be in the best interests of current ratepayers, the
near-term future of the Red Rock Village community as it tries to
attract additional residents, or the long-term interests of the water
company. The Red Rock owners state that they are committed to
providing the resources necessary to ensure that Red Rock will
continue to provide adequate, reliable and good quality service."
[Decision No. 73343 at page 2, lines 3-13]

26 **Q.9 Has the customer base at Red Rock Village since increased to the point that the**
27 **company's concern regarding the potential for significant rate increases no longer**
28

1 exists?

2 A.9 No, that potential continues to exist, and the company believes that significant increases in
3 both its water and wastewater rates would be warranted at this time, if rates were to be set
4 using the customary rate of return ratemaking methodology, and without the use of any
5 mitigating ratemaking methodologies or assumptions for the limited purpose of this case.
6

7 **Q.10 Why, then, didn't the company file another request for a further extension of the due**
8 **date for filing the rate application ordered by Decision No. 67409?**

9 A.10 The company did consider such a course of action earlier this year. However, we
10 ultimately concluded that a further postponement of bringing our rates more into alignment
11 with the costs of operation, maintenance and ownership of our water and wastewater
12 systems assets would not be in the best long-term interests of either Red Rock or the
13 customers. Moreover, we concluded that by using some of the ratemaking methodologies
14 we have adopted solely for purposes of this case, we could moderate the effect of a
15 required rate increase on Red Rock's customers. Accordingly, the company filed its rate
16 application on August 3, 2014 pursuant to the due date extension approved in Decision No.
17 73343.
18

19 **Q.11 Are the ratemaking methodologies and assumptions adopted solely for purposes of**
20 **this rate application, and to which you refer, discussed in Mr. Bourassa's Direct**
21 **Testimony?**

22 A.11 Yes, at some length, and they include (i) a pro forma customer addition projection,(ii) a
23 lower cost of equity request than that to which we believe we are entitled, (iii) no requested
24 ratemaking recognition of income taxes, and (iv) a proposed 5-year phase-in of the
25 wastewater rate increase, with no carrying costs. Mr. Bourassa is our expert on these
26 subjects, and I will defer to him for a fuller explanation and to answer any questions
27 regarding the same.
28

1 Q.12 One (1) brief question respect to the pro forma customer additions over a projected
2 five (5) year period, did you discuss that subject with Pulte Homes; and, based upon
3 that discussion and other information available to you, did you conclude that that
4 projection was reasonable as of this point in time?

5 A.12 Yes, as to both parts of the question. In addition, I would note that to the extent the
6 projected customer additions might be on the "high" side, the ratepayers benefit because
7 the company's requested rate increases are lower than otherwise would be the case.
8

9 Q.13 To the best of your knowledge, has Red Rock complied with all of the Ordering
10 Paragraphs set forth in Decision No. 67409?

11 A.13 Yes, with the filing of its rate application on August 3, 2014, I believe that the company
12 has fully complied.
13

14 Q.14 To the best of your knowledge, is Red Rock in compliance with the requirements of all
15 regulatory entities applicable to the company, including requirements of the Arizona
16 Department of Environmental Quality, Arizona Department of Water Resources and
17 the Commission?

18 A.14 Yes, to the best of my knowledge.
19

20 Q.15 Do you believe that the increase in rates and charges for water and wastewater service
21 requested by the company in its August 3, 2014 rate application are "just and
22 reasonable" for purposes of this case?

23 A.15 Yes, for the limited purpose of this case.
24

25 Q.16 Does that complete your Direct Testimony in support of Red Rock's August 3, 2014
26 rate application?

27 A.16 Yes, it does.
28

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF RED ROCK UTILITIES, LLC, AN
ARIZONA LIMITED LIABILITY
COMPANY, FOR A DETERMINATION
OF THE FAIR VALUE OF ITS UTILITY
PLANTS AND PROPERTY AND FOR
INCREASES IN ITS WATER AND
WASTEWATER RATES AND CHARGES
FOR UTILITY SERVICE BASED
THEREON.

DOCKET NO: WS-04245A-14-____
APPLICATION

DIRECT TESTIMONY OF
THOMAS J. BOURASSA
(RATE BASE, INCOME STATEMENT, RATE DESIGN AND COST OF
CAPITAL)

August 04, 2014

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1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q1. PLEASE STATE YOUR NAME AND ADDRESS.**

3 A1. My name is Thomas J. Bourassa. My business address is 139 W. Wood Drive,
4 Phoenix, Arizona 85029.

5 **Q2 WHAT IS YOUR PROFESSION AND BACKGROUND?**

6 A2. I am a Certified Public Accountant and am self-employed, providing consulting
7 services to utility companies as well as general accounting services. I have a B.S.
8 in Chemistry and Accounting from Northern Arizona University (1980) and an
9 M.B.A. with an emphasis in Finance from the University of Phoenix (1991).

10 **Q3. COULD YOU BRIEFLY SUMMARIZE YOUR PRIOR WORK AND**
11 **REGULATORY EXPERIENCE?**

12 A3. Yes. Prior to becoming a private consultant, I was employed by High-Tech
13 Institute, Inc., and served as controller and chief financial officer. Prior to working
14 for High-Tech Institute, I worked as a division controller for the Apollo Group,
15 Inc. Before joining the Apollo Group, I was employed at Kozoman & Kermode,
16 CPAs. In that position, I prepared compilations and other write-up work for water
17 and wastewater utilities, as well as tax returns.

18 In my private practice, I have prepared and/or assisted in the preparation of
19 numerous water and wastewater utility rate applications before the Arizona
20 Corporation Commission ("Commission"). A copy of my work experience is
21 attached as Exhibit TJB-RB-DT-1.

22 **Q4. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS**
23 **PROCEEDING?**

24 A4. I am testifying in this proceeding on behalf of the Red Rock Utilities, LLC,
25 ("RRU" or the "Company"). RRU is seeking increases in its rates and charges for
26 water and wastewater utility service in its certificated service area, which area is

1 located in an unincorporated area in southern Pinal County, Arizona.

2 **II. OVERVIEW OF THE COMPANY'S REQUEST FOR RATE RELIEF**

3 **Q5. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

4 A5. I will testify in support of the Company's proposed adjustments to its rates and
5 charges for water and wastewater utility service. I am sponsoring the direct
6 schedules, which are filed concurrently herewith in support of the Company's
7 application. I was responsible for the preparation of these schedules based on my
8 investigation and review of RRU's relevant books and records.

9 For the convenience of the Commission and the parties, my direct testimony
10 is divided into two (2) broad areas, each with the relevant schedules attached.
11 Initially, I address the rate bases, income statements (revenue and operating
12 expenses), required increases in revenue, and rate designs and proposed rates and
13 charges for service for the Company's water and wastewater divisions. In that
14 regard, Schedules A through C, E-F, and H, labeled separately as "Water Division"
15 and "Wastewater Division", are attached to my direct testimony. The Company
16 has not prepared a cost of service study for either division because the Company is
17 not proposing a change in the basic rate designs and Company did not feel it
18 necessary to prepare a cost of service study.

19 Thereafter, I discuss the subject of cost of capital, and Schedule D, which is
20 also attached to this testimony. In that regard, RRU is requesting a return on
21 common equity of 9.5 percent. As shown on Schedule D-1, the Company's
22 consolidated capital structure consists of 100 percent equity and 0 percent debt.
23 Based on the foregoing, the weighted cost of capital is 9.5 percent.

24 **Q7. PLEASE SUMMARIZE THE COMPANY'S APPLICATION.**

25 A7. The Company is seeking rate increases for both its water and wastewater divisions.
26

1 The test year used by RRU is the 12-month period ending December 31, 2013.
2 The Company is requesting a 9.5 percent return on its fair value rate base
3 ("FVRB"). The Company has also proposed certain pro forma adjustments to take
4 into account known and measurable changes to rate base, expenses and revenues
5 for each division. These pro forma adjustments are consistent with normal
6 ratemaking and are contemplated by the Commission's rules and regulations
7 governing rate applications. See R14-2-103. These adjustments are necessary to
8 obtain a normal or realistic relationship between revenues, expenses and rate base
9 on a going-forward basis.

10 The Company's fair value rate base for the Water Division is \$1,378,255.
11 The increase in revenues to provide for recovery of operating expenses and a 9.5
12 percent return on rate base is approximately \$14,480, an increase of approximately
13 2.72 percent over the adjusted and annualized test year revenues.

14 The Company's fair value rate base for the Wastewater Division is
15 \$936,312. The increase in revenues to provide for recovery of operating expenses
16 and a 9.5 percent return on rate base is approximately \$356,955, an increase of
17 approximately 74.75 percent over the adjusted and annualized test year revenues.

18 **Q8. WHY IS THE COMPANY FILING FOR RATE INCREASES AT THIS**
19 **TIME?**

20 **A8.** The circumstances surrounding RRU's filing of its Application at this time are
21 fully discussed in the contemporaneously filed prepared Direct Testimony of
22 RRU's General Manager, Mark Weinberg.
23
24
25
26

1 **III. RRU'S WATER DIVISION**

2 **A. Summary of A, E and F Schedules.**

3 **Q9. MR. BOURASSA, LET'S TURN TO THE COMPANY'S WATER**
4 **DIVISION SCHEDULES. PLEASE DESCRIBE THE SCHEDULES**
5 **LABELED AS A, E, AND F.**

6 A9. The A-1 Schedule is a summary of the Water Division rate base, operating income,
7 current operating margin, required operating margin, operating income deficiency,
8 and the increase in gross revenue. A 9.5 percent return on FVRB is requested.
9 The increase in the revenue requirement is \$14,480. Revenues at present and
10 proposed and customer classifications are also shown on this schedule.

11 The A-2 Schedule is a summary of results of operations for the test year,
12 prior years, and a projected year at present rates and proposed rates.

13 Schedule A-3 is not required for Class C utilities and is not included.

14 Schedule A-4 contains the plant construction, and plant-in-service for the
15 test year and prior years. The projected plant additions are also shown on this
16 schedule.

17 Schedule A-5 is not required for Class C utilities and is not included.

18 The E Schedules are based on the Company's actual operating results, as
19 reported by the Company in annual reports filed with the Commission. The E-1
20 Schedule contains the comparative balance sheet data for the years 2011, 2012,
21 and 2013 ended on December 31.

22 Schedule E-2, page 1, contains the income statement for the years 2011,
23 2012, and 2013 ended on December 31.

24 Schedule E-3 is not required for Class C utilities and is not included.

25 Schedule E-4 is not required for Class C utilities and is not included.

26 Schedule E-5 contains the Company's plant-in-service at the end of the test

1 year, and one year prior to the end of the test year.

2 Schedule E-7 contains operating statistics for the years ended 2011, 2012,
3 and 2013 ended on December 31.

4 Schedule E-8 contains the taxes charged to operations.

5 The accountant's notes to the financial statements and the financial
6 assumptions used in preparing the rate filing schedules are shown on Schedules
7 E-9 and F-4, respectively, in accordance with the Commission's standard filing
8 requirements. The Company does not prepare audited financial statements.

9 Schedule F-1 contains the results of operations at the present rates (actual
10 and adjusted), and at proposed rates.

11 Schedule F-2 is not required for Class C utilities and is not included.

12 Schedule F-3 shows the Company's projected construction requirements for
13 2014.

14 Schedule F-4 contains the assumptions used in developing the adjustments
15 and projections contained in the rate filing.

16 **B. Rate Base (B Schedules).**

17 **Q10. WOULD YOU EXPLAIN THE RATE BASE SCHEDULES, WHICH ARE**
18 **LABELED AS THE B SCHEDULES?**

19 A10. Yes. I will start with Schedule B-5, which is the working capital allowance. I
20 used the "formula method" of computing the working capital allowance to reduce
21 costs. However, the Company is not requesting a working capital allowance for
22 either division.

23 **Q11. WHY DIDN'T THE COMPANY PREPARE A LEAD-LAG STUDY AND**
24 **USE THE RESULTS OF THAT STUDY TO COMPUTE CASH WORKING**
25 **CAPITAL?**
26

1 A11. Because the costs to prepare a lead-lag study outweigh the benefits of such a study
2 in this instance.

3 **Q12. THANK YOU. PLEASE CONTINUE.**

4 A12. The Company did not file Schedules B-3 and B-4. To limit issues in dispute and
5 reduce rate case expense, RRU is requesting that its original cost rate base
6 ("OCRB") be used as its FVRB for its Water Division.

7 **Q13. HAVE YOU PREPARED SCHEDULES SHOWING ADJUSTMENTS TO**
8 **THE WATER DIVISION'S ORIGINAL COST RATE BASE?**

9 A13. Yes. Schedule B-2 shows adjustments to the Water Division's OCRB cost rate
10 base proposed by the Company. Schedule B-2, pages 2 through 6, provide the
11 supporting information. These adjustments are, in summary:

12 B-2 adjustment number 1, as shown on Schedule B-2, page 2, adjusts plant-
13 in-service. There are three plant-in-service ("PIS") adjustments included in
14 Adjustment 1. These are shown on Schedule B-2, page 3, and are labeled as
15 adjustments "A", "B", and "C".

16 Adjustment A of B-2 adjustment number 1 adjusts PIS to remove plant
17 which currently is not used and useful (Verano division franchise costs).

18 Adjustment B of B-2 adjustment number 1 adjusts PIS to reflect the
19 Company's estimate of current "excess" capacity. The Company's current
20 "excess" capacity was determined by estimating the use and useful capacity of its
21 water treatment plant and storage plant at the end of a projected 5-year period and
22 assuming growth during this period would be 400 additional customers. Estimates
23 of used capacity at the end of the projected 5 year period were prepared by
24 Westland Resources, Inc.

25 Adjustment C of B-2 adjustment number 1 reflects the adjustments to PIS
26

1 that are necessary to reconcile the recorded plant balances to the reconstructed
2 plant balances.

3 **Q14. PLEASE CONTINUE.**

4 A14. Adjustment 2 shown on Schedule B-2, page 2, adjusts accumulated depreciation
5 ("A/D"). The details of the accumulated depreciation adjustment are shown at
6 Schedule B-2, page 4. There are two plant-in-service adjustments included in
7 Adjustment 2. These are shown on Schedule B-2, page 4, and are labeled as
8 adjustments "A" and "B".

9 Adjustment A of B-2 adjustment number 2 removes accumulated
10 depreciation related to the plant amounts removed as current "excess" capacity in
11 Adjustment B of B-2 adjustment number 1.

12 Adjustment B of B-2 adjustment number 2 reflects the adjustments to A/D
13 that are necessary to reconcile the recorded depreciation to the reconstructed
14 balance.

15 **Q15. DO THE PLANT IN SERVICE AND ACCUMULATED DEPRECIATION**
16 **BALANCES SHOWN ON B-2 REFLECT THE LAST COMMISSION RATE**
17 **ORDER?**

18 A15. Yes. This is the first rate case for RRU since it was granted its Certificate of
19 Convenience and Necessity ("CC&N") in 2004.¹ The reconstruction of the A/D
20 balance through the end of 2013 computes the A/D balance based on the recorded
21 activity (additions and retirements) in the intervening years since the Company
22 began operations. A half-year convention was used along with the authorized
23 depreciation rates from the CC&N decision. Since the Company incorrectly used a
24 5 percent composite rate for depreciation and the authorized depreciation rates are

25 ¹ ACC Decision 67409, November 2, 2004.

1 generally lower, there is a significant adjustment to the A/D balance.

2 **Q16. PLEASE CONTINUE.**

3 A16. Adjustment 3 shown on Schedule B-2, page 5, adjusts the accumulated
4 amortization balance of contributions-in-aid of construction ("CIAC") to the
5 recomputed amount reflecting the annual composite depreciation rate for plant-in-
6 service.

7 Finally, Adjustment 4 shown on B-2, page 2, removes advances-in-aid of
8 construction ("AIAC") that are funding plant held for future use and thus not used
9 and useful (Verano division PIS).

10 **Q17. HOW WAS THE PROPOSED "FAIR VALUE" RATE BASE SHOWN ON**
11 **A-1 DETERMINED?**

12 A17. As previously stated, the FVRB shown on Schedule A-1 is based on OCRB, with
13 no adjustment for the current values of the Company's plant and property.

14 **A. INCOME STATEMENT (C SCHEDULES)**

15 **Q18. PLEASE EXPLAIN THE ADJUSTMENTS YOU ARE PROPOSING TO**
16 **THE WATER DIVISION INCOME STATEMENT AS SHOWN ON**
17 **SCHEDULES C-1 AND C-2.**

18 A18. The following is a summary of adjustments shown on Schedule C-1:

19 Adjustment 1 annualizes depreciation expense. The proposed depreciation
20 rate for each component of utility plant is shown on Schedule C-2, page 2. The
21 depreciation rates approved in the Water Division's 2004 CC&N case were
22 account specific. The Company proposes to continue to use the currently
23 authorized account specific rates on a going forward basis.

24 **Q19. THE WATER DIVISION'S ADJUSTED DEPRECIATION EXPENSE IS**
25 **CONSIDERABLY LOWER THAN THE TEST YEAR. PLEASE EXPLAIN.**
26

1 A19. There are two reasons. First, as mentioned earlier the Company used a 5 percent
2 composite rate for depreciation. The authorized depreciation rates are generally
3 lower resulting in a lower level of depreciation expense. Second, the proposed
4 depreciation expense does not include depreciation on currently "excess" capacity
5 PIS.

6 **Q20. HOW MUCH LOWER IS THE DEPRECIATION EXPENSE FROM NOT**
7 **RECOGNIZING CURRENT "EXCESS" CAPACITY?**

8 A20. About \$36,000 annually.

9 **Q21. IS THE COMPANY REQUESTING AN ACCOUNTING ORDER TO**
10 **DEFER THIS EXPENSE FOR CONSIDERATION IN A FUTURE RATE**
11 **CASE?**

12 A21. Yes.

13 **Q22. WOULD THIS HELP TO KEEP THE COMPANY FINANCIALLY**
14 **STABLE?**

15 A22. Yes. Since the depreciation expense from current "excess" capacity would not be
16 recovered in revenues, deferral will help to minimize annual loses, and reduce
17 erosion of the company's equity balance, thus leading to greater financial stability.

18 Adjustment 2 increases the property taxes based on proposed revenues.
19 The details of the computation are shown on Schedule C-2, page 3.

20 **Q23. HOW DID YOU COMPUTE THE PROPERTY TAXES AT THE**
21 **CURRENT AND PROPOSED RATES?**

22 A23. I employed a modified version of the Arizona Department of Revenue ("ADOR"
23 or "the Department") Centrally Valued Properties method for determining property
24 taxes. The ADOR method uses twice the average of the prior three years of
25 historical revenue, plus an addition for CWIP and a deduction for the book value
26

1 of transportation equipment, in the determination of the full cash value. The
2 modified method determines full cash value by using twice the adjusted test year
3 revenues rather than the prior three years of historical revenue. For determining
4 the property tax expense at proposed revenues, I used two times the 3 year
5 average, consisting of two years of adjusted test year revenues plus one year of
6 proposed revenues. The change to property taxes at proposed revenues is reflected
7 in the gross revenue conversion factor shown on the A-1 Schedule. For both of the
8 computations of property tax expense I used an assessed value equal to 18.0
9 percent of full cash value (the current assessment rate), which was then multiplied
10 by the property tax rate to determine the property tax expense.

11 **Q24. IS THIS CONSISTENT WITH PRIOR COMMISSION DECISIONS?**

12 A24. Yes. See *e.g.*, *Chaparral City Water Company*, Decision No. 68176 at 13, *Rio*
13 *Rico Utilities*, Decision No. 67279 at 8; *Arizona Water Company*, Decision No.
14 64282 at 12-13; *Bella Vista Water Company*, Decision No. 65350 at 16; *Arizona-*
15 *American Water Company*, Decision No. 67093 at 9-10; *Black Mountain Sewer*
16 *Company*, Decision 69164 at 10-11.

17 **Q25. IS THIS SYNCHRONIZATION OF PROPERTY TAX EXPENSE WITH**
18 **REVENUES PROPER RATE MAKING?**

19 A25. Yes. Like income taxes, property taxes must be adjusted to ensure that the new
20 rates are sufficient to produce the authorized revenue requirement. For this reason,
21 the Commission has repeatedly approved the use of proposed revenues to
22 determine an appropriate level of property tax expense to be recovered through
23 rates.

24 **Q26. THE ASSESSMENT RATIO FOR 2013 WAS 19.5 PERCENT. WHY ARE**
25 **YOU USING 18.0 PERCENT?**
26

1 A26. The assessment ratio after 2015 will be 18.0 percent.² The selection of the 2015
2 rate is to reflect rates which will be in effect when the new rates in the instant case
3 are in effect.

4 **Q27. DO YOU HAVE ANY CONCERNS ABOUT USING AN ASSESSMENT**
5 **RATIO THAT FAR OUT INTO THE FUTURE?**

6 A27. Yes. While the assessment ratio is scheduled to be reduced, the property tax rate
7 may go up. Since we are using a 2014 property tax rate without adjustment, the
8 Company conceivably might under recover property taxes in the future.

9 **Q28. THANK YOU. PLEASE CONTINUE WITH YOUR DESCRIPTION OF**
10 **THE INCOME STATEMENT ADJUSTMENTS.**

11 A28. Adjustment 3 shows the rate case expense estimated by the Company. The
12 Company currently estimates rate case expense for the Water Division of \$25,000.
13 The Company proposes that rate case expense be recovered over five years
14 because it believes a five-year cycle for future rate cases is reasonable given (i)
15 this utility's present circumstances and (ii) my professional experience.

16 **Q30. PLEASE EXPLAIN WHY YOU REFER TO THIS AMOUNT AS AN**
17 **"ESTIMATE"?**

18 A30. Because I can't predict the future, I can only make some "educated" guesses based
19 on my experience. The specifics of who may intervene, what unique issues may
20 come into dispute, what kind of procedural problems we will encounter, etc. I
21 cannot predict with certainty. I know rate cases are lengthy and expensive, but I
22 still have to start with an estimate. If things turn out more complicated than
23 anticipated, the Company will modify its request to account for that increased
24 expense. Conversely, if the case proceeds smoothly and timely, and rate case

25

² Arizona Revised States 42-15001.
26

1 expense is lower than expected, we would make an appropriate adjustment
2 downward.

3 **Q31. PLEASE CONTINUE WITH YOUR DISCUSSION OF THE INCOME**
4 **STATEMENT ADJUSTMENT?**

5 A31. Adjustment 4 increases revenues for 400 additional customers that are projected
6 over the next five years. This adjustment also reflects the expected increase in
7 purchased power expense based on the additional gallons sold for 400 additional
8 customers.

9 **Q32. IS INCOPORATING ADDITIONAL REVNUES FOR 400 CUSTOMERS**
10 **EXPECTED OVER THE NEXT 5 YEARS A TYPICAL ADJUSTMENT?**

11 A32. No. This is not a known and measurable adjustment to the test year and would not
12 be appropriate under normal circumstances. However, based upon the fact that the
13 Company's service territory failed to develop as quickly as expected, due to (i) the
14 change in the developer of Red Rock Village and (ii) the 2008 financial crisis and
15 subsequent recession, as discussed by Mr. Weinberg, the Company recognizes that
16 it's plant investment may be disproportionate to the current customer levels. It is
17 therefore proposing this adjustment to help to mitigate the rate impact on current
18 ratepayers as well as help to keep the utility rates in its service territory at levels
19 which may help to encourage future growth in the area. In that regard, the
20 Company's proposed adjustment is not intended to set any ratemaking precedent
21 for this or any other Company regulated by the Commission.

22 Adjustment 5 reduces revenues for accrued revenues recorded during the
23 test year. The revenue accruals are eliminated from the test year since the as-
24 adjusted revenue reflected in the actual billings for the test year and used in the
25 determination of the revenue deficiency includes all water priced and billed. If
26

1 these amounts are not removed, revenues would be overstated in the revenue-
2 deficiency calculation.

3 **Q33. IS THE COMPANY REQUESTING RECOVERY OF INCOME TAXES?**

4 A33. No. The Company is attempting to minimize the rate impacts in the instant case
5 and is voluntarily electing not to recover income taxes. The Company's election to
6 forego income tax recovery also is not intended to set any precedent for this or any
7 other Company regulated by the Commission.

8 **B. Cost of Capital (D Schedules).**

9 **Q34. PLEASE SUMMARIZE THE COMPANY'S PROPOSED COST OF**
10 **CAPITAL.**

11 A34. RRU is requesting a return on common equity of 9.5 percent. RRU's capital
12 structure consists of 100 percent equity and 0 percent debt. Thus, the weighted
13 average cost of capital ("WACC") is 9.5 percent based upon the aforementioned
14 capital structure and cost of equity.

15 **Q35. WHAT IS THE BASIS FOR RRU'S PROPOSED COST OF EQUITY OF 9.5**
16 **PERCENT?**

17 A35. The Company did not prepare a cost of capital analysis in order to help minimize
18 rate case expense. That said, the Company's cost of equity recommendation of 9.5
19 percent is based upon cost of equity adopted in two recent cases (Chaparral City
20 Water Company, Decision 74568, June 20, 2014 (9.6%) and Lago Del Oro Water
21 Company, Decision 74564, June 20, 2014 (9.7%). The 9.5 percent
22 recommendation is to further mitigate the rate relief in the instant case. It is lower
23 than the cost of equity adopted in those cases I just mentioned, and is conservative
24 considering RRU's relatively small size as well as the risks it faces with the
25 proposal to recognize for ratemaking purposes revenues from expected customer
26

1 growth over the next 5 years.

2
3 **C. Rate Design (H Schedules).**

4 **Q36. WHAT ARE THE COMPANY'S PRESENT RATES FOR WATER**
5 **SERVICE?**

6 A36. The Company's present rates are:

7 **MONTHLY SERVICE CHARGES**

8

5/8" x 3/4" meters	\$ 25.00
3/4" Meters	\$ 37.50
1" Meters	\$ 62.50
1 1/2" Meters	\$ 125.00
2" Meters	\$ 200.00
3" Meters	\$ 375.00
4" Meters	\$ 625.00
6" Meters	\$1,250.00

16
17 Gallons in minimum (all classes) 0

18
19 **COMMODITY RATES (per 1,000 gallons)**

20 **All Classes (except Irrigation)**

21 5/8x3/4 Inch

1 Gallons to 5,000 Gallons	\$2.40
5,001 to 10,000 Gallons	\$3.15
Over 10,000 Gallons	\$3.90

25 3/4 Inch and Larger

1	1 Gallons to 5,000 Gallons	\$3.15
2	Over 5,000 Gallons	\$3.90

3 Irrigation

4 All meter sizes

5	1 Gallons to 20,000 gallons	\$3.15
6	Over 20,000 gallons	\$3.90

7 Standpipe/Bulk

8	All Gallons	\$3.90
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9 **Q33. WHAT ARE THE COMPANY'S PROPOSED RATES FOR WATER**
10 **SERVICE?**

11 A33. The Company's proposed rates are:

12 MONTHLY SERVICE CHARGES

13	5/8" x 3/4" meters	\$ 25.00
14	3/4" Meters	\$ 37.50
15	1" Meters	\$ 62.50
16	1 1/2" Meters	\$ 125.00
17	2" Meters	\$ 200.00
18	3" Meters	\$ 375.00
19	4" Meters	\$ 625.00
20	6" Meters	\$1,250.00

21		
22	Gallons in minimum (all classes)	0

23

24 COMMODITY RATES (per 1,000 gallons)

25 All Classes (except Irrigation)

26

1 5/8x3/4 Inch

2 1 Gallons to 5,000 Gallons \$2.50

3 5,001 to 10,000 Gallons \$3.40

4 Over 10,000 Gallons \$4.25

5 3/4 Inch and Larger

6 1 Gallons to 5,000 Gallons \$3.40

7 Over 5,000 Gallons \$4.25

8 Irrigation

9 All meter sizes

10 1 Gallons to 20,000 gallons \$3.40

11 Over 20,000 gallons \$4.25

12 Standpipe/Bulk

13 All Gallons \$4.25

14
15 **Q37. WHAT METER SIZE ARE THE MAJORITY OF CUSTOMERS ON AND**
16 **WHAT WAS THE AVERAGE MONTHLY BILL DURING THE TEST**
17 **YEAR?**

18 A37. The largest customer class is the 5/8x3/4 inch residential class making up over 98
19 percent of customers. As shown on Schedule H-2, page 1, the average monthly
20 bill under present rates for a 5/8x3/4 inch residential customer using an average
21 5,155 gallons is \$37.49.

22 **Q38. WHAT WILL BE THE AVERAGE 5/8X3/4 INCH RESIDENTIAL**
23 **CUSTOMER AVERAGE MONTHLY BILL UNDER THE NEW RATES?**

24 A38. As shown on Schedule H-2, page 1, the average monthly bill under proposed rates
25 for a 5/8x3/4 inch residential customer using an average 5,155 gallons is \$38.03 – a
26

1 \$0.54 increase over the present monthly bill or a 1.44 percent increase.

2 **Q39. WHY IS THE COMPANY PROPOSING THE SAME RATE DESIGN AS**
3 **THE CURENT RATE DESIGN?**

4 A39. Because the Company does not believe a change in the current rate design is
5 necessary at this time. The current rate design is an inverted tier rate design and is
6 conservation oriented. The smaller residential meters (5/8"x3/4" and 3/4") are on
7 an inverted three tier rate design and all other meter sizes are on an inverted two
8 tier design.

9
10 **1. Other Tariff Changes.**

11 **Q40. IS THE COMPANY PROPOSING ANY CHANGES TO ITS**
12 **MISCELLANEOUS CHARGES?**

13 A40. No.

14 **Q41. IS THE COMPANY PROPOSING ANY CHANGES TO ITS SERVICE**
15 **LINE AND METER INSTALLATION CHARGES?**

16 A41. No.

17
18 **IV. WASTEWATER DIVISION**

19 **A. SUMMARY OF A, E AND F SCHEDULES**

20 **Q42. MR. BOURASSA, LET'S TURN TO THE COMPANY'S WASTEWATER**
21 **DIVISION SCHEDULES. PLEASE DESCRIBE THE SCHEDULES**
22 **LABELED AS A, E, AND F.**

23 A42. The A-1 Schedule is a summary of the Wastewater Division rate base, operating
24 income, current operating margin, required operating margin, operating income
25 deficiency, and the increase in gross revenue. A 9.5 percent return on FVRB is
26

1 requested. The increase in the revenue requirement is \$356,955. Revenues at
2 present and proposed and customer classifications are also shown on this schedule.

3 The A-2 Schedule is a summary of results of operations for the test year,
4 prior years, and a projected year at present rates and proposed rates.

5 Schedule A-3 is not required for Class C utilities and is not included.

6 Schedule A-4 contains the plant construction, and plant in service for the
7 test year and prior years. The projected plant additions are also shown on this
8 schedule.

9 Schedule A-5 is not required for Class C utilities and is not included.

10 The E Schedules are based on the Company's actual operating results, as
11 reported by the Company in annual reports filed with the Commission. The E-1
12 Schedule contains the comparative balance sheet data the years 2011, 2012, and
13 2013 ending on December 31.

14 Schedule E-2, page 1, contains the income statement for the years 2011,
15 2012, and 2013 ending on December 31.

16 Schedule E-3 is not required for Class C utilities and is not included.

17 Schedule E-4 is not required for Class C utilities and is not included.

18 Schedule E-5 contains the Company's plant in service at the end of the test
19 year, and one year prior to the end of the test year.

20 Schedule E-7 contains operating statistics for the years ended 2011, 2012,
21 and 2013 ending on December 31.

22 Schedule E-8 contains the taxes charged to operations.

23 The accountant's notes to the financial statements and the financial
24 assumptions used in preparing the rate filing schedules are shown on Schedules
25 E-9 and F-4, respectively, in accordance with the Commission's standard filing
26

1 requirements. The Company does not prepare audited financial statements.

2 Schedule F-1 contains the results of operations at the present rates (actual
3 and adjusted), and at proposed rates.

4 Schedule F-2 is not required for Class C utilities and is not included.

5 Schedule F-3 shows the Company's projected construction requirements for
6 2014.

7 Schedule F-4 contains the assumptions used in developing the adjustments
8 and projections contained in the rate filing.

9 **B. RATE BASE (B SCHEDULES)**

10 **Q43. WOULD YOU EXPLAIN THE RATE BASE SCHEDULES, WHICH ARE**
11 **LABELED AS THE B SCHEDULES?**

12 A43. Yes. I will start with Schedule B-5, which is the working capital allowance. My
13 rationale for not doing a lead/lag study, and the reasons for my recommendation of
14 zero working capital are explained above (on pages 5-6) with respect to the Water
15 Division, and are applicable to the Wastewater Division as well.

16 **Q44. HAVE YOU PREPARED SCHEDULES SHOWING ADJUSTMENTS TO**
17 **THE WASTEWATER DIVISION'S ORIGINAL COST RATE BASE?**

18 A44. Yes. Schedule B-2 shows adjustments to the Wastewater Division's OCRB cost
19 rate base proposed by the Company. Schedule B-2, pages 2 through 6, provide the
20 supporting information. These adjustments are, in summary:

21 B-2 adjustment number 1, as shown on Schedule B-2, page 2, adjusts plant-
22 in-service. There are two plant-in-service ("PIS") adjustments included in
23 Adjustment 1. These are shown on Schedule B-2, page 3, and are labeled as
24 adjustments "A", "B", and "C".

25 Adjustment A of B-2 adjustment number 1 adjusts PIS to reflect the
26

1 Company's estimate of current "excess" capacity. The Company's current
2 "excess" capacity was determined by estimating the use and useful capacity of its
3 wastewater treatment plant at the end of a projected 5-year period and assuming
4 growth during this period would be 400 additional customers. Estimates of used
5 capacity at the end of the projected 5 year period were prepared by Westland
6 Resources, Inc.

7 Adjustment B of B-2 adjustment number 1 reflects the adjustments to PIS
8 that are necessary to reconcile the recorded plant balances to the reconstructed
9 plant balances.

10 **Q45. PLEASE CONTINUE.**

11 A45. Adjustment 2 shown on Schedule B-2, page 2, adjusts accumulated depreciation
12 ("A/D"). The details of the accumulated depreciation adjustment are shown at
13 Schedule B-2, page 4. There are two plant-in-service adjustments included in
14 Adjustment 2. These are shown on Schedule B-2, page 4, and are labeled as
15 adjustments "A" and "B".

16 Adjustment A of B-2 adjustment number 2 removes accumulated
17 depreciation related to the plant amounts removed for current "excess" capacity in
18 Adjustment A of B-2 adjustment number 1.

19 Adjustment B of B-2 adjustment number 2 reflects the adjustments to A/D
20 that are necessary to reconcile the recorded depreciation to the reconstructed
21 balance.

22 **Q46. DO THE PLANT IN SERVICE AND ACCUMULATED DEPRECIATION**
23 **BALANCES SHOWN ON B-2 REFLECT THE LAST COMMISSION RATE**
24 **ORDER?**

25 A46. Yes. This is the first rate case for RRU since it was granted its Certificate of
26

1 Convenience and Necessity ("CC&N") in 2004.³ The reconstruction of the A/D
2 balance through the end of 2013 computes the A/D balance based on the recorded
3 activity (additions and retirements) in the intervening years since the Company
4 began operations. A half-year convention was used along with the authorized
5 depreciation rates from the CC&N decision. Since the Company incorrectly used a
6 5 percent composite rate for depreciation, and the authorized depreciation rates are
7 generally lower, there is a significant adjustment to the A/D balance.

8 **Q47. PLEASE CONTINUE.**

9 A47. Adjustment 3 shown on Schedule B-2, page 5, adjusts the accumulated
10 amortization balance of contributions-in-aid of construction ("CIAC") to the
11 recomputed amount reflecting the annual composite depreciation rate for plant-in-
12 service.

13 **Q48. HOW WAS THE PROPOSED "FAIR VALUE" RATE BASE SHOWN ON**
14 **A-1 DETERMINED?**

15 A48. As previously stated, the FVRB shown on Schedule A-1 is based on OCRB, with
16 no adjustment for the current values of the Company's plant and property.

17 **C. INCOME STATEMENT (C SCHEDULES)**

18 **Q49. PLEASE EXPLAIN THE ADJUSTMENTS YOU ARE PROPOSING TO**
19 **THE WASTEWATER DIVISION INCOME STATEMENT AS SHOWN ON**
20 **SCHEDULES C-1 AND C-2.**

21 A49. The following is a summary of adjustments shown on Schedule C-1:

22 Adjustment 1 annualizes depreciation expense. The proposed depreciation
23 rate for each component of utility plant is shown on Schedule C-2, page 2. The
24 depreciation rates approved in the Wastewater Division's 2004 CC&N case were

25 ³ ACC Decision 67409, November 2, 2004.
26

1 account specific rates. The Company proposes to continue to use account specific
2 rates on a going forward basis.

3 **Q50. THE WASTEWATER DIVISION'S ADJUSTED DEPRECIATION**
4 **EXPENSE IS CONSIDERABLY LOWER THAN THE TEST YEAR.**
5 **PLEASE EXPLAIN.**

6 A50. There are two reasons. First, as mentioned earlier, the Company used a 5 percent
7 composite rate for depreciation. The authorized depreciation rates are generally
8 lower resulting in a lower level of depreciation expense. Second, the proposed
9 depreciation expense does not include depreciation on current "excess" capacity
10 PIS.

11 **Q51. IS THE COMPANY REQUESTING AN ACCOUNTING ORDER TO**
12 **DEFER THIS EXPENSE FOR CONSIDERATION IN A FUTURE RATE**
13 **CASE?**

14 A51. Yes.

15 **Q52. HOW MUCH LOWER IS THE DEPRECIATION EXPENSE FROM THE**
16 **NOT RECOGNIZING EXCESS CAPACITY?**

17 A52. About \$189,000 annually.

18 **Q53. WOULD THIS HELP TO KEEP THE COMPANY FINANCIALLY**
19 **STABLE?**

20 A53. Yes. Since the depreciation expense from excess capacity would not be recovered
21 in revenues in this case, deferral will help to minimize annual losses, and reduce
22 erosion of the company's equity balance, thus leading to greater financial stability.

23 **Q55. THANK YOU. PLEASE CONTINUE.**

24 A55. Adjustment 2 increases the property taxes based on proposed revenues. The
25 details of the computation are shown on Schedule C-2, page 3. I discussed the
26

1 property tax computation earlier in my testimony at pages 9 and 10.

2 Adjustment 3 shows the rate case expense estimated by the Company. The
3 Company currently estimates rate case expense for the Wastewater Division of
4 \$25,000. The Company proposes that rate case expense be recovered over five
5 years because it believes a five-year cycle for future rate cases is reasonable given
6 this utility's circumstances. While the Company's last rate case was twelve years
7 ago, the Company intends to file cases on a more regular basis.

8 **Q56. WHY DO YOU BELIEVE THIS IS A REASONABLE ESTIMATE OF**
9 **RATE CASE FOR THIS RATE CASE?**

10 A56. I discussed the basis of the estimate for rate case expense earlier in my testimony
11 at pages 11-12.

12 **Q57. PLEASE CONTINUE WITH YOUR DISCUSSION OF THE INCOME**
13 **STATEMENT ADJUSTMENTS?**

14 A57. Adjustment 4 increases revenues for 400 additional customers that are expected
15 over the next five years. This adjustment also reflects the expected increase in
16 purchased power expense based on the additional gallons sold for 400 additional
17 customers.

18 **Q58. IS INCORPORATING ADDITIONAL REVENUES FOR 400 CUSTOMERS**
19 **EXPECTED OVER THE NEXT 5 YEARS A TYPICAL ADJUSTMENT?**

20 A58. No. This is not a known and measurable adjustment to the test year and would not
21 be appropriate under normal circumstances. However, based upon the fact that the
22 Company's service territory failed to develop as quickly as expected, due to (i) the
23 change in the developer of Red Rock Village and (ii) the 2008 financial crisis and
24 subsequent recession, as discussed by Mr. Weinberg, the Company recognizes that
25 it's plant investment may be disproportionate to the current customer levels. It is
26

1 therefore proposing this adjustment to help to mitigate the rate impact on current
2 ratepayers as well as help to keep the utility rates in its service territory at levels
3 which may help to encourage future growth in the area. In that regard, the
4 Company's proposed adjustment is not intended to set any ratemaking precedent
5 for this or any other Company regulated by the Commission.

6 **Q59. IS THE COMPANY REQUESTING RECOVERY OF INCOME TAXES?**

7 A59. No. I discussed the reasons why earlier at page 13.
8

9 **D. Cost of Capital (D Schedules).**

10 **Q60. PLEASE SUMMARIZE THE COMPANY'S PROPOSED COST OF**
11 **CAPITAL.**

12 A60. As previously indicated, RRU is requesting a return on common equity of 9.5
13 percent. RRU's capital structure consists of 100 percent equity and 0 percent debt.
14 The weighted average cost of capital ("WACC") is 9.5 percent based upon the
15 aforementioned capital structure and cost of equity. I have previously discussed
16 the rationale for the 9.5 percent recommendation at page 13.
17

18 **E. Rate Design (H Schedules).**

19 **Q61. WHAT ARE THE COMPANY'S PRESENT RATES FOR WASTEWATER**
20 **SERVICE?**

21 A61. The Company's present rates are:

22 **MONTHLY SERVICE CHARGES**

23 5/8" x 3/4" meters	\$ 39.50
24 3/4" Meters	\$ 59.25
25 1" Meters	\$ 98.75

26

1	1 1/2" Meters	\$ 197.50
2	2" Meters	\$ 316.00
3	3" meters	\$ 592.50
4	4" Meters	\$ 987.50
5	6" Meter	\$1,975.00

6

7

Effluent Sales

8

Commodity Rate (per 1,000 gallons) \$0.92

9

Commodity Rate (per acre foot) \$300.00

10

11

12

**Q62. WHAT ARE THE COMPANY'S PROPOSED RATES FOR
WASTEWATER SERVICE?**

13

A62. The Company's proposed rates are:

14

MONTHLY SERVICE CHARGES

15

5/8" x 3/4" meters \$ 69.80

16

3/4" Meters \$ 104.69

17

1" Meters \$ 174.49

18

1 1/2" Meters \$ 348.98

19

2" Meters \$ 558.37

20

3" meters \$1,116.74

21

4" Meters \$1,744.91

22

6" Meter \$3,489.83

23

24

Effluent Sales

25

Commodity Rate (per 1,000 gallons) \$0.92

26

Commodity Rate (per acre foot)

\$300.00

Q63. WHAT IS THE IMPACT ON A 5/8X3/4 INCH RESIDENTIAL CUSTOMER?

A63. The current monthly charge for a 5/8x34/ inch metered customer is \$39.50. Under the Company's proposed rates the monthly charge for a 5/8x3/4 inch metered customer is \$69.80, an increase of \$30.03 or 76.70 percent.

Q64. IS THE COMPANY PROPOSING TO PHASE IN THE WASTEWATER RATE INCREASE?

A64. Yes. The Company is proposing to phase in the rate increase evenly over 5 years with no collection of the time value of money. Phasing in the \$30.30 increase evenly over 5-years means the Company will increase the monthly charge by \$6.06 per year. In Exhibit TJB-RB-DT-2, the Company has set forth the rates for each year of the 5-year phase-in period.

Q65. HAS THE COMPANY EXPLORED ALTERNATIVE RATES FOR THE WASTEWATER DIVISION AS ORDERED BY THE COMMISSION IN DECISION 67409?

A65. Yes. In the CC&N decision (67409), the Commission ordered the Company to present information on: 1) whether wastewater rates based on water consumption encourage water conservation; 2) whether higher bills for those who use the system more is a fairer way to collect revenue; and, 3) what tiered wastewater rates based on water consumption would look like compared to a flat rate design.

With respect to the first question posed by the Commission, a theoretical argument can be made that if a customer pays more for wastewater service due to high water usage, there may be an incentive to conserve water. However, the Company has not found any studies which actually analyzed whether there is a

1 nexus between wastewater rates and water conservation, and it cannot
2 independently confirm that higher wastewater bills lead to water conservation.
3 Further, because high water usage does not necessarily translate to higher flows
4 into the wastewater system, charging a customer more for a higher water usage
5 could be considered unfair. Finally, it should be noted that there is a risk that
6 conservation in water consumption, as a result of high wastewater rates, could
7 result in increased both water and wastewater revenue instability. In that event, the
8 Company would not recover its authorized revenue requirement.

9
10 The question of fairness leads to the second question posed by the
11 Commission. Higher bills for those who use the system more is arguably a fairer
12 way to collect revenue. However, the problem is identifying those customers who
13 actually place greater demands on the wastewater system (use the system more).
14 Total water usage alone is not necessarily a good measure of the demands a
15 customer places on the wastewater system, because not all water used by a
16 customer necessarily makes its way into the wastewater system. Most of the water
17 used indoors (such as for bathing, cooking, clothes washing, and toilets) makes its
18 way into the wastewater system, and contributes to wastewater treatment costs.
19 But, water used outdoors (such as for landscaping, washing cars, cleaning
20 driveways and patios, evaporative coolers, and pools) does not make its way into
21 the wastewater system, and therefore does not contribute to water treatment costs.
22 Indoor water use is therefore generally speaking the primary source of customer
23 wastewater flows into the system, but it is not metered separately. For these
24 reasons, the company believes it would be unfair to charge for wastewater service
25 based upon total water usage.

26 Since total water usage is not a good measure of the demands a customer

1 places on the wastewater system, the Company would have to use other metrics,
2 such as (i) the number of persons in a household and (ii) an assumed standard flow
3 per person per day to determine the wastewater flows. The Company could then
4 charge more for customers with assumed higher wastewater flows (i.e. more
5 persons in household means more potential wastewater flows). One way to
6 accomplish this would be to use standard flow rates based on a recognized
7 authority, if such an authority exists. Some might view this as unfair, however,
8 because the standards might not be applicable for all households. In addition, there
9 might be different standards based on the type of customer (single-family, multi-
10 family, office, warehouse, restaurant, etc.). The Company has not explored this
11 alternative.

12 Finally, in response to the third question posed by the Commission, the
13 Company has prepared a tiered wastewater rate design, which is included as
14 Exhibit TJB-RB-DT-3. However, the Company does not support a rate design
15 based upon water usage, including the design included in the exhibit, for the
16 reasons discussed above.

17 **1. Other Tariff Changes.**

18 **Q66. IS THE COMPANY PROPOSING ANY CHANGES TO ITS**
19 **MISCELLANEOUS CHARGES FOR THE WASTEWATER DIVISION?**

20 A66. No.

21 **Q67. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?**

22 A67. Yes.
23
24
25
26

Red Rock Utilities, LLC
Docket No: WS-04245A-14-_____

THOMAS J. BOURASSA
DIRECT TESTIMONY

August 4, 2014

EXHIBIT TJB-RB-DT-1

RESUME OF THOMAS J. BOURASSA, CPA

EDUCATIONAL BACKGROUND

B.S. Northern Arizona University Chemistry/Accounting (1980)

M.B.A. University of Phoenix with Emphasis in Finance (1991)

C.P.A. State of Arizona (1995)

Continuing Professional Education – In areas of tax, accounting, management, economics, finance, business valuation, consulting, and ethics (80 hrs every two years)

MEMBERSHIPS

Arizona Society of CPAs

Water Utilities Association of Arizona

American Water Works Association

Society of Regulatory Financial Analysts

EMPLOYMENT EXPERIENCE

1995 – Present	<p>CPA - Self Employed</p> <p>Consultant to utilities on regulatory matters including all aspects of rate applications (rate base, income statement, cost of capital, cost of service, and rate design), rate reviews, certificates of convenience and necessity (CC&N), CC&N extensions, financing applications, accounting order applications, and off-site facilities hook-up fee applications. Provide expert testimony as required.</p> <p>Consult on various aspects of business, financial and accounting matters including best business practices, generally accepted accounting principles, generally accepted ratemaking principles, project analysis, cash flow analysis, regulatory treatment of certain expenditures and investments, business valuations, and rate reviews.</p> <p>Litigation support services.</p>
1992-1995	<p>Employed by High-Tech Institute, Phoenix, Arizona as Controller and C.F.O.</p>
1989-1992	<p>Employed by Alta Technical School, a division of University of Phoenix as Division Controller.</p>
1985-1989	<p>Employed by M.L.R. Builders, Tampa and Pensacola, Florida as Operations/Accounting Manager</p>
1982-1985	<p>Employed by and part owner in Area Sand and Clay Company, Pensacola, Florida.</p>

1981-1982

Employed by Purdue University, West Lafayette, Indiana as
Teaching Assistant.

**SUMMARY OF REGULATORY WORK EXPERIENCE AS SELF EMPLOYED
CONSULTANT**

COMPANY/CLIENT

FUNCTION

Anchorage Municipal Light & Power
Regulatory Commission of Alaska
Docket No. TA-332-121

Prepare schedules and testified on cost of capital.

Liberty Utilities (Pine Bluff) Inc.
Arkansas Public Service Commission
Docket No. 14-020-U

Permanent Rate Application – Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Abra Water Company
ACC Docket No. W-01782A-14-0084

Permanent Rate Application – Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

EPCOR Water Arizona, Inc.
ACC Docket No. W-01303A-14-0010

Permanent Rate Application – Prepared rate designs and cost of Service studies for Mohave Water District, Mohave Wastewater District, Paradise Valley Water District, Tubac Water District, and Sun City Water District.

Liberty Utilities (Midstates Natural Gas), Inc.
Missouri Public Service Commission
Case No. GR-2014-0152

Permanent Rate Application – Assist in preparing required rate application schedules for Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Hydro Resources, LLC.
ACC Docket No. W-20770A-13-0313

CC&N Application. Prepared required schedules and initial rates.

Little Park Water Company
ACC Docket No. W-02192A-13-0336

Permanent Rate Application – Water. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Utility Source, LLC.
ACC Docket No. WS-04235A-13-0331

Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and

COMPANY/CLIENT**FUNCTION**

Payson Water Company
ACC Docket No. W-03514A-13-0111
ACC Docket No. W-03514A-13-0142

Cost of Capital.

Permanent Rate Application – Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Financing Application. Prepared financial
ratios and debt surcharge mechanism.

Goodman Water Company

Valuation

Verde Santa Fe Wastewater
ACC Docket No. SW-03437A-13-0292

Permanent Rate Application – Sewer.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Del Lago Water Company
ACC Docket No. W-01944A-13-0215

Permanent Rate Application – Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Cost of Service, Rate
Design, and Cost of Capital.

Chaparral City Water Company
ACC Docket No. W-02113A-13-0118

Permanent Rate Application – Prepared
and testified on cost of service study.

Las Quintas Serenas Water Company
ACC Docket No. W-01583A-13-0117

Permanent Rate Application – Water.
Prepared schedules and testified on Rate
Base, Plant, Income Statement, Revenue
Requirement, Rate Design, and Cost of
Capital.

Litchfield park Service Company
ACC Docket No. SW-01428A-13-0043
ACC Docket No. W-01428A-13-0042

Permanent Rate Application – Water and
Sewer. Prepared schedules and testified
on Rate Base, Plant, Income Statement,
Revenue Requirement, Rate Design, Cost
of Service, and Cost of Capital.

Beaver Dam Water Company
ACC Docket No. WS-03067A-12-0232

Permanent Rate Application. Prepared
schedules on Plant, Income Statement,
Revenue Requirement, and Rate Design.

Rio Rico Utilities

Permanent Rate Application – Water and

COMPANY/CLIENT

ACC Docket No. WS-02676A-12-0196

Vail Water Company

ACC Docket No. W-01651B-12-0339

Avra Water Co-Op.

ACC Docket No. W-02126A-11-0480

Pima Utility Company

ACC Docket No. W-02199A-11-0329

ACC Docket No. SW-02199A-11-0330

Liberty Utilities (CALPECO Electric),
LLC)

Docket No. 11202020

Livco Water Company

ACC Docket No. SW-02563A-11-0213

Orange Grove Water Company

ACC Docket No. W-02237A-11-0180

Goodman Water Company

ACC Docket No. W-02500A-10-0382

FUNCTION

Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Cost of Service, Rate Design, and Cost of Capital.

Work on financing application.

Work on preparation of permanent rate application. Prepared schedules on Rate Base, Plant, Income Statement, Revenue Requirement.

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

COMPANY/CLIENT

Doney Park Water
ACC Docket No. W-01416A-10-0450

Grimmelmann, et. al. v. Pulte Home Corporation, et. al., case no. CV-08-1878-PHX-FJM, the United States District Court for the District of Arizona.

Southern Arizona Home Builders Association

H2O Water Company

Tierra Linda HOA Water Company

Las Quintas Serenas Water Company
ACC Docket No. W-01583A-09-0589

Coronado Utilities
ACC Docket No. SW-04305A-09-0291

Little Park Water Company
ACC Docket No. W-02192A-09-0531

Sahuarita Water Company
ACC Docket No. W-03718A-09-0359

Bella Vista Water Company
Southern Sunrise Water Company
Northern Sunrise Water Company
ACC Docket No. W-02465A-09-0414
ACC Docket No. W-02453A-09-0414
ACC Docket No. W-02454A-09-0414

FUNCTION

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Consultant to defendant and expert witness for defendant on rates and ratemaking.

Consultant on ratemaking aspects to line extension policies (electric).

Valuation

Valuation

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Permanent Rate Application – Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

COMPANY/CLIENT

FUNCTION

Rio Rico Utilities, Inc
ACC Docket No. WS-02676A-09-0257

Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Litchfield park Service Company
ACC Docket No. SW-01428A-09-0103
ACC Docket No. W-01428A-09-0104

Permanent Rate Application – Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, Cost of Service, and Cost of Capital.

Town of Thatcher v. City of Safford, CV
2007-240, Superior Court of Arizona

Consultant to plaintiff on ratemaking and cost of service.

Valencia Water Company
California Public Utility Commission Case
No. 09-05-002

Cost of Capital

Valley Utilities
ACC Docket No. W-01412A-08-0586

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Black Mountain Sewer Company
ACC Docket No. SW-02361A-08-0609

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Far West Water and Sewer Company
ACC Docket No. WS-03478A-08-0608

Interim Rate Application (Emergency Rates)

Farmers Water Company
ACC Docket No. W-01654A-08-0502

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Far West Water and Sewer Company
ACC Docket No. WS-03478A-08-0454

Permanent Rate Application. Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design and Cost of

COMPANY/CLIENT**FUNCTION**

Ridgeline Water Company, LLC
ACC Docket No. W-20589A-08-0173

Capital.
Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Sacramento Utilities, Inc.
ACC Docket No. SW-20576A-08-0067

Certificate of Convenience and Necessity – Wastewater. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Johnson Utilities
ACC Docket No. WS-02987A-08-0180

Permanent Rate Application. Water and Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design and Cost of Capital.

Participate in 40-252 proceeding.

Orange Grove Water Company
ACC Docket No. W-02237A-08-0455

Permanent Rate Application. Prepared schedules on Plant, Income Statement, Revenue Requirement, and Rate Design.

Far West Water and Sewer Company
ACC Docket No. WS-03478A-07-0442

Financing Application. Prepare schedules to support application.

Oak Creek Water No.1
ACC Docket No. W-01392A-07-0679

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

ICR Water Users Association
Docket W-02824-07-0388

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Johnson Utilities

Valuation consultant in the matter of the sale of Johnson Utilities assets to the Town of Florence.

H2O, Inc
ACC Docket No. W-02234A-07-0550

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of

COMPANY/CLIENT**FUNCTION**

Chaparral City Water Company
ACC Docket No. W-02113A-07-0551

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Valley Utilities
ACC Docket No. W-01412A-07-0561

Financing Application. Prepare schedules to support application.

Valley Utilities
ACC Docket No. W-01412A-07-280

Emergency Rate Application. Prepare schedules to support application.

Valley Utilities
ACC Docket No. W-01412A-07-0278

Accounting Order. Assist in preparing definition and scope of costs for deferral for future regulatory consideration and treatment.

Litchfield Park Service Company
ACC Docket No. W-01427A-06-0807

Accounting Order. Assist in preparing definition and scope of costs for deferral for future regulatory consideration and treatment.

Golden Shores Water Company
ACC Docket No. W-01815A-07-0117

Permanent Rate Application. Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Diablo Village Water Company
ACC Docket No. W-02309A-07-0140

Off-site facilities hook-up fee application. Prepare schedules to support application.

Diablo Village Water Company
ACC Docket No. W-02309A-07-0399

Permanent Rate Application (Class C). Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Sahuarita Water Company
(Rancho Sahuarita Water Co.)
ACC Docket No. W-03718A-07-0687

Extension Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

COMPANY/CLIENT

FUNCTION

Utility Source, L.L.C.
ACC Docket No. WS-04235A-06-0303

Permanent Rate Application- Water and Wastewater. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Tierra Buena Water Company

Valuation of Tierra Buena Water Company for estate purposes.

Goodman Water Company
ACC Docket No. W-02500A-06-0281

Permanent Rate Application (Class C). Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, and Cost of Capital.

Links at Coyote Wash Utilities
ACC Docket No. SW-04210A-06-0220

Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

New River Utilities
ACC Docket No. W-0173A-06-0171

Extension Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, and financing.

Johnson Utilities
ACC Docket No. WS-02987A-04-0501
Docket WS-02987A-04-0177

Extension of Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Bachmann Springs Utility
ACC Docket No. WS-03953A-07-0073

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Avra Water Cooperative
ACC Docket No. W-02126A-06-0234

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Gold Canyon Sewer Company
ACC Docket No. SW-025191A-06-0015

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue

COMPANY/CLIENT

FUNCTION

State of Arizona v. Far West Water and Sewer, No. 1 CA-CR 06-0160

Requirement, Rate Design, and Cost of Capital.

Expert witness on behalf of defendant in penalty phase of case.

Far West Water and Sewer Company
ACC Docket No. WS-03478A-05-0801

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Black Mountain Sewer Company
ACC Docket No. SW-02361A-05-0657

Permanent Rate Application – Sewer. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, Rate Design, and Cost of Capital.

Balterra Sewer Company
ACC Docket No. SW-02304A-05-0586

Certificate of Convenience and Necessity – Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Community Water Company of Green Valley
ACC Docket No. W-02304A-05-0830

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

McClain Water Systems
Northern Sunrise Water
Southern Sunrise Water
ACC Docket No. W-020453A-06-0251

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Valley Utilities Water Company
ACC Docket No. W-01412A-04-0376

Off-site facilities hook-up fee application. Prepare schedules to support application.

Valley Utilities Water Company
ACC Docket No. W-01412A-04-0376

Permanent Rate Application – Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Rate Design.

Beardsley Water Company

Permanent Rate Application – Water.

COMPANY/CLIENT

ACC Docket No. W-02074A-04-0358

Pine Water Company, Inc.
ACC Docket No. W-03512A-03-0279

Chaparral City Water Company
ACC Docket No. W-02113A-04-0616

Tierra Linda Home Owners Association
ACC Docket No. W-0423A-04-0075

Diamond Ventures - Red Rock Utilities
ACC Docket No. WS-04245A-04-0184

Arizona-American Water Company, Inc.
ACC Docket No. WS-01303A-02-0867
ACC Docket No. WS-01303A-02-0868
ACC Docket No. WS-01303A-02-0869
ACC Docket No. WS-01303A-02-0870
ACC Docket No. WS-01303A-02-0908

Bella Vista Water Company, Inc.
ACC Docket No. W-02465A-01-0776

Green Valley Water Company

FUNCTION

Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Interim and Permanent Rate Application, Financing Application - Water. Prepared schedules and testified on Rate Base, Plant, Income Statement, Cost of Capital, and Rate Design.

Permanent Rate Application. Prepared schedules and testified on Rate Base, Plant, and Income Statement. Assisted in preparation Rate Design.

Certificate of Convenience and Necessity – Water. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Certificate of Convenience and Necessity – Water and Sewer. Prepared pro-forma balance sheets, income statements, plant schedules, rate base, financing, and initial rate design.

Permanent Rate Application Water and Sewer (10 divisions). Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Rate Design.

Permanent Rate Application - Water. Prepared schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

Permanent Rate Application. Prepared

COMPANY/CLIENT

Docket (2000 Not Filed)

FUNCTION

schedules and testimony on Rate Base, Plant, Income Statement, and Revenue Requirement. Assisted in preparation of Cost of Capital and Rate Design.

Gold Canyon Sewer Company
ACC Docket No. SW-02519A-00-0638

Permanent Rate Application - Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

Rio Verde Utilities, Inc.
ACC Docket No. WS-02156A-00-0321

Permanent Rate Application – Water and Sewer. Prepared schedules and testimony on Rate Base, Plant, Revenue Requirement, and Income Statement. Assisted in preparation of Cost of Capital and Rate Design.

Livco Water Company
Livco Sewer Company
ACC Docket No. SW-02563A-05-0820

Permanent Rate Application – Water. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Livco Water Company
ACC Docket No. SW-02563A-07-0506

Permanent Rate Application – Water and Sewer. Prepared short-form schedules for Rate Base, Income Statement, Plant, Bill Counts, and Rate Design.

Cave Creek Sewer Company

Revenue Requirement, Rate Adjustment and Rate Design - Sewer.

Avra Water Cooperative
ACC Docket No. W-02126A-00-0269

Permanent Rate Application – Water. Assisted in preparation of Rate Base, Plant, Income Statement, Revenue Requirement, and Rate Design.

Town of Oro Valley

Revenue Requirements, Water Rate Adjustments and Rate Design.

Far West Water Company
ACC Docket No. WS-03478A-99-0144

Permanent Rate Application – Water. Assisted in preparation of schedules for Rate Base, Income Statement, Revenue Requirement, Lead-Lag Study, Cost of Capital, and Rate Design.

COMPANY/CLIENT**FUNCTION**

MHC Operating Limited Partnership
Sedona Venture Wastewater
ACC Docket No. W-

Permanent Rate Application – Sewer.
Assisted in preparation of schedules for
Rate Base, Plant, Income Statement, and
Rate Design.

Vail Water Company
ACC Docket No. W-01651B-99-0406

Permanent Rate Application. Assisted in
preparation of schedules for Rate Base,
Plant, Income Statement, and Rate Design.

E&T Water Company
ACC Docket No. W-01409A-95-0440

Permanent Rate Application - Water.
Assisted in preparation of schedules for
Rate Base, Plant, Income Statement, and
Rate Design.

New River Utility
ACC Docket No. W-01737A-99-0633

Permanent Rate Application - Water.
Assisted in preparation of schedules for
Rate Base, Plant, Income Statement, and
Rate Design.

Golden Shores Water
ACC Docket No. W-01815A-98-0645

Permanent Rate Application – Water.
Assisted in preparation of schedules for
Rate Base, Plant, Income Statement, and
Rate Design.

Ponderosa Utility Company
ACC Docket No. W-01717A-99-0572

Permanent Rate Application – Water.
Assisted in preparation of schedules for
Rate Base, Plant, Income Statement, and
Rate Design.

Chaparral City Water Company
Docket (1999 Not Filed)

Permanent Rate Application - Water.
Prepared schedules and testimony on Rate
Base, Plant, Revenue Requirement, and
Income Statement. Assisted in preparation
of Cost of Capital and Rate Design.

Red Rock Utilities, LLC
Docket No: WS-04245A-14-_____

THOMAS J. BOURASSA
DIRECT TESTIMONY

August 4, 2014

EXHIBIT TJB-RB-DT-2

Red Rock Utilities, LLC - Wastewater Division

Test Year Ended December 31, 2013

Present and Proposed Rates (Phase In Over 5 years)

Exhibit

Line No.	Monthly Minimum Charge for:	Year 1 Rates	Year 2 Rates	Year 3 Rates	Year 4 Rates	Year 5 Rates
1	<u>Meter Size (All Classes):</u>					
2	5/8x3/4 Inch	\$ 45.56	\$ 51.62	\$ 57.68	\$ 63.74	\$ 69.80
2	3/4 Inch	68.34	77.43	86.52	95.61	104.69
3	1 Inch	113.90	129.05	144.20	159.35	174.49
4	1 1/2 Inch	227.80	258.10	288.40	318.70	348.98
5	2 Inch	364.47	412.94	461.41	509.88	558.37
6	3 Inch	697.35	802.20	907.05	1,011.90	1,116.74
7	4 Inch	1,138.98	1,290.46	1,441.94	1,593.42	1,744.91
8	6 Inch	2,277.97	2,580.94	2,883.91	3,186.88	3,489.83
9						
10						
11						
12						
13	Effluent Sales (per acre foot)	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
14						
15						

Red Rock Utilities, LLC
Docket No: WS-04245A-14-_____

THOMAS J. BOURASSA
DIRECT TESTIMONY

August 4, 2014

EXHIBIT TJB-RB-DT-3

Red Rock Utilities, LLC - Wastewater Division - Alternative Rate Design

Test Year Ended December 31, 2013

Present and Proposed Rates

Exhibit
Page 1 of 3

Line No.	Monthly Minimum Charge for:	Present Rates	Proposed Rates	Change	Percent Change
1	Meter Size (All Classes):				
2	5/8 Inch	\$ 39.50	\$ 51.55	\$ 12.05	30.50%
3	3/4 Inch	59.25	77.32	18.07	30.50%
4	1 Inch	98.75	128.87	30.12	30.50%
5	1 1/2 Inch	197.50	257.74	60.24	30.50%
6	2 Inch	316.00	412.38	96.38	30.50%
7	3 Inch	592.50	824.76	232.26	39.20%
8	4 Inch	987.50	1,288.69	301.19	30.50%
9	6 Inch	1,975.00	2,577.38	602.38	30.50%
10	8 Inch	3,160.00	4,123.80	963.80	30.50%
11	10 Inch	4,542.50	5,927.96	1,385.46	30.50%
12					
13					
14					
15	Effluent Sales (per 1,000 gallons)	\$ 0.92	\$ 0.92	-	0.00%
16					
17					
18					
19	Commodity Rates (per 1,000 gallons)				
20	5/8x3/4 Inch				
21					
22					
23					
24	3/4 Inch and Larger				
25					
26					
27					
28					
29					
30					

Red Rock Utilities, LLC - Wastewater Division - Alternative Rate Design
 Test Year Ended December 31, 2013
 Customer Summary

Exhibit
 Page 2 of 3

Line No.	Meter Size, Class	(a) Average Number of Customers at 12/31/2013	Average Consumption	Average Bill		Proposed Increase	
				Present Rates	Proposed Rates	Dollar Amount	Percent Amount
1	5/8x3/4 Inch Residential	564	5,223	\$ 39.50	\$ 67.55	28.05	71.01%
2							
3	5/8x3/4 Inch Commercial	2	2,313	39.50	58.49	18.99	48.07%
4	2 Inch Commercial	2	77,027	316.00	867.04	551.04	174.38%
5							
6	Effluent	5		194.03	194.03	-	0.00%
7							
8							
9	Total	573					

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

Bill Comparison Present and Proposed Rates
5/8 Inch Residential

Exhibit
Page 3 of 3

Meter Size:

	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 39.50	\$ 51.55	\$ 12.05	30.50%
1,000	\$ 39.50	\$ 54.55	\$ 15.05	38.09%
2,000	\$ 39.50	\$ 57.55	\$ 18.05	45.69%
3,000	\$ 39.50	\$ 60.55	\$ 21.05	53.28%
4,000	\$ 39.50	\$ 63.55	\$ 24.05	60.88%
5,000	\$ 39.50	\$ 66.55	\$ 27.05	68.47%
6,000	\$ 39.50	\$ 71.05	\$ 31.55	79.87%
7,000	\$ 39.50	\$ 75.55	\$ 36.05	91.26%
8,000	\$ 39.50	\$ 80.05	\$ 40.55	102.65%
9,000	\$ 39.50	\$ 84.55	\$ 45.05	114.04%
10,000	\$ 39.50	\$ 89.05	\$ 49.55	125.44%
12,000	\$ 39.50	\$ 101.05	\$ 61.55	155.82%
14,000	\$ 39.50	\$ 113.05	\$ 73.55	186.20%
16,000	\$ 39.50	\$ 125.05	\$ 85.55	216.58%
18,000	\$ 39.50	\$ 137.05	\$ 97.55	246.96%
20,000	\$ 39.50	\$ 149.05	\$ 109.55	277.34%
25,000	\$ 39.50	\$ 179.05	\$ 139.55	353.28%
30,000	\$ 39.50	\$ 209.05	\$ 169.55	429.23%
35,000	\$ 39.50	\$ 239.05	\$ 199.55	505.18%
40,000	\$ 39.50	\$ 269.05	\$ 229.55	581.13%
45,000	\$ 39.50	\$ 299.05	\$ 259.55	657.08%
50,000	\$ 39.50	\$ 329.05	\$ 289.55	733.03%
60,000	\$ 39.50	\$ 389.05	\$ 349.55	884.93%
70,000	\$ 39.50	\$ 449.05	\$ 409.55	1036.83%
80,000	\$ 39.50	\$ 509.05	\$ 469.55	1188.73%
90,000	\$ 39.50	\$ 569.05	\$ 529.55	1340.63%
100,000	\$ 39.50	\$ 629.05	\$ 589.55	1492.53%

Present Rates:
Monthly Minimum: \$ 39.50

Proposed Rates:
Monthly Minimum: \$ 51.55
Gallons in Minimum: -
Charge Per 1,000 Gallons: -
Up to 5,000 \$ 3.00
Up to 10,000 \$ 4.50
Over 10,000 \$ 6.00

Average Usage	5,223	\$ 67.55	\$ 28.05	71.01%
Median Usage	4,500	\$ 65.05	\$ 25.55	64.68%

Red Rock Utilities, LLC
Docket No: WS-04245A-14-_____

August 4, 2014

**WATER DIVISION
SCHEDULES**

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Computation of Increase in Gross Revenue
Requirements As Adjusted

Exhibit
Schedule A-1
Page 1
Witness: Bourassa

Line
No.

1	Fair Value Rate Base	\$	1,378,255
2			
3	Adjusted Operating Income		116,695
4			
5	Current Rate of Return		8.47%
6			
7	Required Operating Income	\$	130,934
8			
9	Required Rate of Return		9.50%
10			
11	Operating Income Deficiency	\$	14,239
12			
13	Gross Revenue Conversion Factor		1.0169
14			
15	Increase in Gross Revenue		
16	Requirement	\$	14,480
17			
18	Adjusted Test Year Revenues	\$	533,046
19	Increase in Gross Revenue Revenue Requirement	\$	14,480
20	Proposed Revenue Requirement	\$	547,525
21	% Increase		2.72%
22			
23			

Customer Classification (Residential Commercial, Irrigation)	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
5/8x3/4 Inch Residential	\$ 268,205	\$ 273,676	\$ 5,471	2.04%
5/8x3/4 Inch Commercial	742	749	7	0.96%
2 Inch Commercial	11,929	12,566	636	5.33%
1 Inch Irrigation	7,206	7,617	411	5.70%
2 Inch Irrigation	5,201	5,445	244	4.69%
Bulk	31,242	34,017	2,775	8.88%
Hydrant(standpipe)	19,341	21,076	1,736	
Revenues From Projected Customer Growth	179,937	182,522	2,585	1.44%
Subtotal	\$ 523,802	\$ 537,668	\$ 13,865	2.65%
Micellaneous Charges	9,276	9,276	-	0.00%
Reconciling Amount	(33)	582	615	-1863.64%
Rounding			-	0.00%
Total of Water Revenues	\$ 533,045	\$ 547,526	\$ 14,480	2.72%

SUPPORTING SCHEDULES:
B-1
C-1
C-3
H-1

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Summary of Results of Operations

Exhibit
Schedule A-2
Page 1
Witness: Bourassa

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		12/31/2011	12/31/2012	Actual 12/31/2013	Adjusted 12/31/2013	Present Rates 12/31/2014	Proposed Rates 12/31/2014
1	Gross Revenues	\$ 442,301	\$ 347,567	\$ 368,480	\$ 533,046	\$ 533,046	\$ 547,525
2							
3	Revenue Deductions and	554,910	571,662	569,003	416,350	416,350	416,591
4	Operating Expenses						
5							
6	Operating Income	\$ (112,609)	\$ (224,095)	\$ (200,523)	\$ 116,695	\$ 116,695	\$ 130,934
7							
8	Other Income and	565	299	4,859	4,859	4,859	4,859
9	Deductions						
10							
11	Interest Expense	-	-	-	-	-	-
12							
13	Net Income	\$ (112,044)	\$ (223,796)	\$ (195,664)	\$ 121,554	\$ 121,554	\$ 135,793
14							
15	Earned Per Average						
16	Common Share	NA	NA	NA	NA	NA	NA
17							
18	Dividends Per						
19	Common Share	NA	NA	NA	NA	NA	NA
20							
21	Payout Ratio	-	-	-	-	-	-
22							
23	Return on Average						
24	Invested Capital	-1.54%	-3.23%	-2.86%	1.74%	1.75%	1.96%
25							
26	Return on Year End						
27	Capital	-1.61%	-3.25%	-2.89%	1.74%	1.76%	1.97%
28							
29	Return on Average						
30	Member's Equity	-4.06%	-8.65%	-8.15%	4.79%	5.09%	5.67%
31							
32	Return on Year End						
33	Common Equity	-4.15%	-9.04%	-8.41%	4.68%	4.97%	5.52%
34							
35	Times Bond Interest Earned						
36	Before Income Taxes	-	-	-	-	-	-
37							
38	Times Total Interest and						
39	Preferred Dividends Earned						
40	After Income Taxes	-	-	-	-	-	-
41							
42							
43							
44							
45							
46	<u>SUPPORTING SCHEDULES</u>						
47	C-1						
48	E-2						
49	F-1						
50							

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Construction Expenditures
and Gross Utility Plant in Service

Exhibit
Schedule A-4
Page 1
Witness: Bourassa

Line No.		Construction Expenditures	Net Plant Placed in Service	Gross Utility Plant in Service
1				
2				
3				
4	Prior Year Ended 12/31/2011	310,010	310,010	6,200,108
5				
6	Prior Year Ended 12/31/2012	402,952	34,680	6,234,788
7				
8	Test Year Ended 12/31/2013	20,822	10,656	6,245,444
9				
10	Projected Year Ended 12/31/2014	40,000	40,000	6,285,444
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34	<u>SUPPORTING SCHEDULES:</u>			
35	B-2			
36	E-5			
37	F-3			
38				
39				
40				

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Summary of Rate Base

Exhibit
Schedule B-1
Page 1
Witness: Bourassa

Line No.		Original Cost Rate base	Fair Value Rate Base
1			
2	Gross Utility Plant in Service	\$ 5,318,335	\$ 5,318,335
3	Less: Accumulated Depreciation	873,019	873,019
4			
5	Net Utility Plant in Service	\$ 4,445,316	\$ 4,445,316
6			
7	<u>Less:</u>		
8	Advances in Aid of Construction	2,861,056	2,861,056
9			
10	Contributions in Aid of Construction	233,715	233,715
11			
12	Accumulated Amortization of CIAC	(27,711)	(27,711)
13			
14	Customer Meter Deposits	-	-
15	Deferred Income Taxes & Credits	-	-
16			
17			
18			
19	<u>Plus:</u>		
20	Unamortized Finance		
21	Charges	-	-
22	Deferred Tax Assets	-	-
23	Allowance for Working Capital	-	-
24			
25			
26	Total Rate Base	\$ 1,378,255	\$ 1,378,255
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41	<u>SUPPORTING SCHEDULES:</u>		
42	B-2		
43	B-3		
44	B-5		
45	E-1		
46			
47			
48			
49			
50			

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments

Exhibit
Schedule B-2
Page 1
Witness: Bourassa

Line No.		Actual at End of <u>Test Year</u>	Proforma <u>Adjustment</u>	Adjusted at end of <u>Test Year</u>
1	Gross Utility			
2	Plant in Service	\$ 6,245,446	(927,111)	\$ 5,318,335
3				
4	Less:			
5	Accumulated			
6	Depreciation	1,901,802	(1,028,783)	873,019
7				
8				
9	Net Utility Plant			
10	in Service	\$ 4,343,644		\$ 4,445,316
11				
12	Less:			
13	Advances in Aid of			
14	Construction	3,611,056	(750,000)	2,861,056
15				
16	Contributions in Aid of			
17	Construction - Gross	233,715	-	233,715
18				
19	Accumulated Amortization of CIAC	(52,586)	24,875	(27,711)
20				
21	Customer Meter Deposits	-		-
22	Accumulated Deferred Income Tax	-	-	-
23				-
24				-
25				
26	Plus:			
27	Unamortized Finance			
28	Charges	-		-
29	Prepayments	-		-
30	Materials and Supplies	-		-
31	Working capital	-	-	-
32				-
33				
34	Total	<u>\$ 551,459</u>		<u>\$ 1,378,255</u>

45 SUPPORTING SCHEDULES:
46 B-2, pages 2
47 E-1

RECAP SCHEDULES:
B-1

48
49
50

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments

Exhibit
Schedule B-2
Page 2
Witness: Bourassa

Line No.		Proforma Adjustments					Adjusted at end of Test Year
		Actual at End of Test Year	1 Plant-in-Service	2 Accumulated Depreciation	3 CIAC	4 Verano AIAC	
1	Gross Utility Plant in Service	\$ 6,245,446	(927,111)				\$ 5,318,335
2							
3							
4	Less:						
5	Accumulated Depreciation	1,901,802		(1,028,783)			873,019
6							
7							
8							
9	Net Utility Plant in Service	\$ 4,343,544	\$ (927,111)	\$ 1,028,783	\$ -	\$ -	\$ 4,445,316
10							
11							
12	Less:						
13	Advances in Aid of Construction	3,611,056				(750,000)	2,861,056
14							
15							
16	Contributions in Aid of Construction (CIAC)	233,715					233,715
17							
18							
19	Accumulated Amort of CIAC	(52,586)			24,875		(27,711)
20							
21	Customer Meter Deposits	-					-
22	Accumulated Deferred Income Taxes	-					-
23							
24							
25	Plus:						
26	Unamortized Finance Charges	-					-
27							
28	Prepayments	-					-
29	Materials and Supplies	-					-
30	Allowance for Cash Working Capital	-					-
31							
32	Total	\$ 551,459	\$ (927,111)	\$ 1,028,783	\$ (24,875)	\$ 750,000	\$ 1,378,255
33							
34							
35							

SUPPORTING SCHEDULES:
B-2, pages 3-5
E-1

RECAP SCHEDULES:
B-1

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1

Exhibit
Schedule B-2
Page 3
Witness: Bourassa

		Plant-in-Service							
Line No.	Acct.	Description	A		B		Adjustments C		E
			Actual Original Cost	Remove Verano Plant	Excess Capacity Adjustments	Reconciliation to Reconstruction of PIS Balance	Intentionally Left Blank	Intentionally Left Blank	
5	301	Organization Cost	54,297			-			54,297
6	302	Franchise Cost	95,236	(21,305)		-			73,931
7	303	Land and Land Rights	32,810			-			32,810
8	304	Structures and Improvements	8,049			-			8,049
9	305	Collecting and Impounding Res.	-			-			-
10	306	Lake River and Other Intakes	-			-			-
11	307	Wells and Springs	691,317			-			691,317
12	308	Infiltration Galleries and Tunnels	-			-			-
13	309	Supply Mains	-			-			-
14	310	Power Generation Equipment	51,082			-			51,082
15	311	Electric Pumping Equipment	-		(309,456)	-			-
16	312	Water Treatment Equipment	573,066			-			263,610
17	320.1	Water Treatment Plant	-			-			-
18	320.2	Chemical Solution Feeders	-		(596,352)	-			-
19	330	Dist. Reservoirs & Standpipe	1,454,518			-			858,166
20	330.1	Storage tanks	-			-			-
21	330.2	Pressure Tanks	-			-			-
22	331	Trans. and Dist. Mains	2,343,549			-			2,343,549
23	333	Services	518,785			-			518,785
24	334	Meters	154,334			-			154,334
25	335	Hydrants	208,018			-			208,018
26	336	Backflow Prevention Devices	-			-			-
27	339	Other Plant and Misc. Equip.	651			-			651
28	340	Office Furniture and Fixtures	5,752			-			5,752
29	340.1	Computers and Software	-			-			-
30	341	Transportation Equipment	8,224			-			8,224
31	342	Stores Equipment	3,836			-			3,836
32	343	Tools and Work Equipment	2,856			-			2,856
33	344	Laboratory Equipment	14,718			-			14,718
34	345	Power Operated Equipment	18,224			-			18,224
35	346	Communications Equipment	-			-			-
36	347	Miscellaneous Equipment	6,124			-			6,124
37	348	Other Tangible Plant	-			-			-
38									
39									
40		TOTALS	\$ 6,245,446	\$ (21,305)	\$ (905,808)	\$ -	\$ -	\$ -	\$ 5,318,333
41		Plant-in-Service per Books							\$ 6,245,444
42									
43									
44		Increase (decrease) in Plant-in-Service							\$ (927,111)
45									
46		Adjustment to Plant-in-Service							\$ (927,111)
47									

SUPPORTING SCHEDULES
B-2, pages 3.1-3.19

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1-A

Exhibit
Schedule B-2
Page 3.1
Witness: Bourassa

Remove Verano Division Plant

Line

No.

1

2

3

Acct.

4

No. Description

Amount

5

6

302 Franchise Cost

\$ 21,305

7

8

9

TOTAL

\$ 21,305

10

11

12

Increase (decrease) in Plant-in-Service

\$ (21,305)

13

14

Adjustment to Plant-in-Service

\$ (21,305)

15

16

SUPPORTING SCHEDULES

17

Testimony

18

19

20

Red Rock Utilities, LLC - Water Division
 Test Year Ended December 31, 2013
 Original Cost Rate Base Proforma Adjustments
 Adjustment Number 1-B

Exhibit
 Schedule B-2
 Page 3.2
 Witness: Bourassa

Excess Capacity Adjustment

Line

No.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

Acct.

No. Description

Plant
 Balance
End of TY

Projected
 Excess Capacity
as Percent

Excess
 Capacity
Adjustment

320 Water Treatment Equipment

573,066

54%

309,456

330 Dist. Reservoirs & Standpipe

1,454,518

41%

596,352

TOTAL

\$ 905,808

Increase (decrease) in Plant-in-Service

\$ (905,808)

Adjustment to Plant-in-Service

\$ (905,808)

SUPPORTING SCHEDULES

Testimony

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1-C

Reconciliation of Plant-in-service Balance to Reconstructed Balance

Line No.	Acct. No.	Description	Original Cost	B-2 Adjustments	Adjusted Original Cost	Balance Per Reconstruction	Adjustments to Reconcile
5	301	Organization Cost	54,297	-	54,297	54,297	-
6	302	Franchise Cost	95,236	(21,305)	73,931	73,931	-
7	303	Land and Land Rights	32,810	-	32,810	32,810	-
8	304	Structures and Improvements	8,049	-	8,049	8,049	-
9	305	Collecting and Impounding Res.	-	-	-	-	-
10	306	Lake River and Other Intakes	-	-	-	-	-
11	307	Wells and Springs	691,317	-	691,317	691,317	-
12	308	Infiltration Galleries and Tunnels	-	-	-	-	-
13	309	Supply Mains	-	-	-	-	-
14	310	Power Generation Equipment	51,082	-	51,082	51,082	-
15	311	Electric Pumping Equipment	-	-	-	-	-
16	320	Water Treatment Equipment	573,066	(309,456)	263,610	263,610	-
17	320.1	Water Treatment Plant	-	-	-	-	-
18	320.2	Chemical Solution Feeders	-	-	-	-	-
19	330	Dist. Reservoirs & Standpipe	1,454,518	(596,352)	858,166	858,166	-
20	330.1	Storage tanks	-	-	-	-	-
21	330.2	Pressure Tanks	-	-	-	-	-
22	331	Trans. and Dist. Mains	2,343,549	-	2,343,549	2,343,549	-
23	333	Services	518,785	-	518,785	518,785	-
24	334	Meters	154,334	-	154,334	154,334	-
25	335	Hydrants	208,018	-	208,018	208,018	-
26	336	Backflow Prevention Devices	-	-	-	-	-
27	339	Other Plant and Misc. Equip.	651	-	651	651	-
28	340	Office Furniture and Fixtures	5,752	-	5,752	5,752	-
29	340.1	Computers and Software	-	-	-	-	-
30	341	Transportation Equipment	8,224	-	8,224	8,224	-
31	342	Stores Equipment	3,836	-	3,836	3,836	-
32	343	Tools and Work Equipment	2,856	-	2,856	2,856	-
33	344	Laboratory Equipment	14,718	-	14,718	14,718	-
34	345	Power Operated Equipment	18,224	-	18,224	18,224	-
35	346	Communications Equipment	-	-	-	-	-
36	347	Miscellaneous Equipment	6,124	-	6,124	6,124	-
37	348	Other Tangible Plant	-	-	-	-	-
38							
39							
40		TOTALS	\$ 6,245,446	\$ (927,113)	\$ 5,318,333	\$ 5,318,333	\$ -
41							
42							
43							
44		Increase (decrease) in Plant-in-Service					\$ -
45							
46		Adjustment to Plant-in-Service					\$ -
47							
48		SUPPORTING SCHEDULES					
49		B-2, pages 3					
50		B-2, pages 3.4-3.11					

Red Rock Utilities - Water Division
Plant Additions and Retirements

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Schedule B-2
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Witness Bourassa

NARUC Account		Description	Allowed Deprec. Rate	Plant at 12/31/2005	Accum. Deprec. At 12/31/2005	2006									
Line No.	No.					Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.
1	301	Organization Cost	0.00%	-	-	186,176	(133,740)	52,436	-	-	-	-	-	52,436	-
2	302	Franchise Cost	0.00%	-	-	57,061	(1,506)	55,555	-	-	-	-	-	55,555	-
3	303	Land and Land Rights	0.00%	-	-	36,169	(3,379)	32,810	-	-	-	-	-	32,810	-
4	304	Structures & Improvements	3.33%	-	-	1,082,719	(1,077,844)	4,875	-	-	-	-	81	4,875	81
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	174	-	-	-	-	-	2	174	2
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	540,001	148,819	688,820	-	-	-	-	11,469	688,820	11,469
8	308	Infiltration Galleries	6.67%	-	-	-	3,068	3,068	-	-	-	-	102	3,068	102
9	309	Raw Water Supply Mains	2.00%	-	-	-	8,169	8,169	-	-	-	-	82	8,169	82
10	310	Power Generation Equipment	5.00%	-	-	-	4,690	4,690	-	-	-	-	117	4,690	117
11	311	Pumping Equipment	12.50%	-	-	77,818	(77,818)	-	-	-	-	-	-	-	-
12	320	Water Treatment Equipment	3.33%	-	-	98,971	(4,134)	94,837	-	-	-	-	1,579	94,837	1,579
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	10,752	1,275,016	1,285,768	-	-	-	-	14,272	1,285,768	14,272
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	-	-	17,697	62,594	80,291	-	-	-	-	803	80,291	803
19	333	Services	3.33%	-	-	-	368	368	-	-	-	-	6	368	6
20	334	Meters	8.33%	-	-	-	7,000	7,000	-	-	-	-	292	7,000	292
21	335	Hydrants	2.00%	-	-	-	-	-	-	-	-	-	-	-	-
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	15,416	(15,380)	36	-	-	-	-	1	36	1
24	340	Office Furniture & Equipment	6.67%	-	-	1,257	787	2,044	-	-	-	-	68	2,044	68
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	-	-	-	-	-	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	8,224	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	2,856	2,856	-	-	-	-	71	2,856	71
29	344	Laboratory Equipment	10.00%	-	-	-	14,718	14,718	-	-	-	-	736	14,718	736
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	4.00%	-	-	-	-	-	-	-	-	-	-	-	-
34				-	-	-	-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-	-	-	-
36		TOTALS		-	-	2,124,087	222,662	2,338,525	-	-	-	-	29,681	2,338,525	29,681

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

2,338,525
(140,831)
2,197,694
29,681
1.35%

Red Rock Utilities - Water Division
Plant Additions and Retirements

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Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2007						Accum. Deprec.
				Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	
1	301	Organization Cost	0.00%	1,861	-	1,861	-	-	-	-
2	302	Franchise Cost	0.00%	22,521	-	22,521	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-
4	304	Structures & Improvements	3.33%	3,174	-	3,174	-	-	-	296
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	7
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	48,899	-	48,899	-	-	-	35,221
8	308	Infiltration Galleries	6.87%	-	-	-	-	-	-	307
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	245
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	351
11	311	Pumping Equipment	12.50%	351,455	-	351,455	-	-	-	10,599
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	168,750	-	168,750	-	-	-	44,889
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	1,297,319	-	1,297,319	-	-	-	15,382
19	333	Services	3.33%	296,470	-	296,470	-	-	-	4,954
20	334	Meters	8.33%	62,390	-	62,390	-	-	-	3,473
21	335	Hydrants	2.00%	122,807	-	122,807	-	-	-	1,228
22	336	Backflow Prevention Devices	6.87%	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.87%	615	-	615	-	-	-	24
24	340	Office Furniture & Equipment	6.87%	3,063	-	3,063	-	-	-	307
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	8,224	-	8,224	-	-	-	822
27	342	Stores Equipment	4.00%	3,836	-	3,836	-	-	-	77
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	214
29	344	Laboratory Equipment	10.00%	18,224	-	18,224	-	-	-	2,208
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	456
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-
33	348	Other Tangible Plant	4.00%	-	-	-	-	-	-	-
34				-	-	-	-	-	-	-
35				-	-	-	-	-	-	-
36		TOTALS		2,409,608	-	2,409,608	-	-	-	120,849

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

4,748,133
(165,213)
4,582,920
91,168
1.99%

Red Rock Utilities - Water Division
Plant Additions and Retirements

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Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.
1	301	Organization Cost	0.00%	17,130	-	17,130	-	-	-	-	-	54,297	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	-	-	95,236	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	-	32,810	-
4	304	Structures & Improvements	3.33%	-	-	-	-	-	-	-	-	8,049	564
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-	-	174	11
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	-	-	-	-	-	737,719	59,787
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-	-	3,068	512
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-	-	8,169	408
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-	-	4,680	585
11	311	Pumping Equipment	12.50%	-	-	-	-	-	-	-	-	-	-
12	320	Water Treatment Equipment	3.33%	43,665	-	43,665	-	-	-	-	-	489,957	26,177
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	1,454,518	76,379
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	-	-	-	-	-	-	-	-	-	-
19	333	Services	3.33%	-	-	-	-	-	-	-	-	-	-
20	334	Meters	8.33%	40,572	-	40,572	-	-	-	-	-	1,377,610	42,934
21	335	Hydrants	2.00%	848	-	848	-	-	-	-	-	296,828	14,358
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	109,962	10,943
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-	-	-	-	123,655	3,693
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	-	-	651	58
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	-	-	5,107	647
26	341	Transportation Equipment	20.00%	-	-	-	-	-	-	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	8,224	2,467
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	-	-	3,836	230
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-	-	2,856	357
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	-	14,719	3,680
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-	18,224	1,367
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	4.00%	-	-	-	-	-	-	-	-	-	-
34													
35													
36		TOTALS		102,215	-	102,215	-	-	-	-	125,399	4,850,348	246,248

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

4,850,348
(182,343)
4,668,005
125,399
2.69%

Red Rock Utilities - Water Division
Plant Additions and Retirements

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Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2009					
				Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements
1	301	Organization Cost	0.00%	-	-	-	-	-	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-
4	304	Structures & Improvements	3.33%	11,835	-	11,835	-	-	-
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	-	-	-
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	-	-	-	-	-	-
12	320	Water Treatment Equipment	3.33%	83,109	-	83,109	-	-	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	-	-	-	-	-	-
19	333	Services	3.33%	957,597	-	957,597	-	-	-
20	334	Meters	8.33%	221,957	-	221,957	-	-	-
21	335	Hydrants	2.00%	15,986	-	15,986	-	-	-
22	336	Backflow Prevention Devices	6.67%	84,363	-	84,363	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.67%	645	-	645	-	-	-
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-
33	348	Other Tangible Plant	4.00%	-	-	-	-	-	-
34				-	-	-	-	-	-
35				-	-	-	-	-	-
36				-	-	-	-	-	-
37				-	-	-	-	-	-
38				-	-	-	-	-	-
39				-	-	-	-	-	-
40				-	-	-	-	-	-
41				-	-	-	-	-	-
42				-	-	-	-	-	-
43				-	-	-	-	-	-
44				-	-	-	-	-	-
45				-	-	-	-	-	-
46				-	-	-	-	-	-
47				-	-	-	-	-	-
48				-	-	-	-	-	-
49				-	-	-	-	-	-
50				-	-	-	-	-	-
51				-	-	-	-	-	-
52				-	-	-	-	-	-
53				-	-	-	-	-	-
54				-	-	-	-	-	-
55				-	-	-	-	-	-
56				-	-	-	-	-	-
57				-	-	-	-	-	-
58				-	-	-	-	-	-
59				-	-	-	-	-	-
60				-	-	-	-	-	-
61				-	-	-	-	-	-
62				-	-	-	-	-	-
63				-	-	-	-	-	-
64				-	-	-	-	-	-
65				-	-	-	-	-	-
66				-	-	-	-	-	-
67				-	-	-	-	-	-
68				-	-	-	-	-	-
69				-	-	-	-	-	-
70				-	-	-	-	-	-
71				-	-	-	-	-	-
72				-	-	-	-	-	-
73				-	-	-	-	-	-
74				-	-	-	-	-	-
75				-	-	-	-	-	-
76				-	-	-	-	-	-
77				-	-	-	-	-	-
78				-	-	-	-	-	-
79				-	-	-	-	-	-
80				-	-	-	-	-	-
81				-	-	-	-	-	-
82				-	-	-	-	-	-
83				-	-	-	-	-	-
84				-	-	-	-	-	-
85				-	-	-	-	-	-
86				-	-	-	-	-	-
87				-	-	-	-	-	-
88				-	-	-	-	-	-
89				-	-	-	-	-	-
90				-	-	-	-	-	-
91				-	-	-	-	-	-
92				-	-	-	-	-	-
93				-	-	-	-	-	-
94				-	-	-	-	-	-
95				-	-	-	-	-	-
96				-	-	-	-	-	-
97				-	-	-	-	-	-
98				-	-	-	-	-	-
99				-	-	-	-	-	-
100				-	-	-	-	-	-
101				-	-	-	-	-	-
102				-	-	-	-	-	-
103				-	-	-	-	-	-
104				-	-	-	-	-	-
105				-	-	-	-	-	-
106				-	-	-	-	-	-
107				-	-	-	-	-	-
108				-	-	-	-	-	-
109				-	-	-	-	-	-
110				-	-	-	-	-	-
111				-	-	-	-	-	-
112				-	-	-	-	-	-
113				-	-	-	-	-	-
114				-	-	-	-	-	-
115				-	-	-	-	-	-
116				-	-	-	-	-	-
117				-	-	-	-	-	-
118				-	-	-	-	-	-
119				-	-	-	-	-	-
120				-	-	-	-	-	-
121				-	-	-	-	-	-
122				-	-	-	-	-	-
123				-	-	-	-	-	-
124				-	-	-	-	-	-
125				-	-	-	-	-	-
126				-	-	-	-	-	-
127				-	-	-	-	-	-
128				-	-	-	-	-	-
129				-	-	-	-	-	-
130				-	-	-	-	-	-
131				-	-	-	-	-	-
132				-	-	-	-	-	-
133				-	-	-	-	-	-
134				-	-	-	-	-	-
135				-	-	-	-	-	-
136				-	-	-	-	-	-
137				-	-	-	-	-	-
138				-	-	-	-	-	-
139				-	-	-	-	-	-
140				-	-	-	-	-	-
141				-	-	-	-	-	-
142				-	-	-	-	-	-
143				-	-	-	-	-	-
144				-	-	-	-	-	-
145				-	-	-	-	-	-
146				-	-	-	-	-	-
147				-	-	-	-	-	-
148				-	-	-	-	-	-
149				-	-	-	-	-	-
150				-	-	-	-	-	-
151				-	-	-	-	-	-
152				-	-	-	-	-	-
153				-	-	-	-	-	-
154				-	-	-	-	-	-
155				-	-	-	-	-	-
156				-	-	-	-	-	-
157				-	-	-	-	-	-
158				-	-	-	-	-	-
159				-	-	-	-	-	-
160				-	-	-	-	-	-
161				-	-	-	-	-	-
162				-	-	-	-	-	-
163				-	-	-	-	-	-
164				-	-	-	-	-	-
165				-	-	-	-	-	-
166				-	-	-	-	-	-
167				-	-	-	-	-	-
168				-	-	-	-	-	-
169				-	-	-	-	-	-
170				-	-	-	-	-	-
171				-	-	-	-	-	-
172				-	-	-	-	-	-
173				-	-	-	-	-	-
174				-	-	-	-	-	-
175				-	-	-	-	-	-
176				-	-	-	-	-	-
177				-	-	-	-	-	-
178				-	-	-	-	-	-
179				-	-	-	-	-	-
180				-	-	-	-	-	-
181				-	-	-	-	-	-
182				-	-	-	-	-	-
183				-	-	-	-	-	-
184				-	-	-	-	-	-
185				-	-	-	-	-	-
186				-	-	-	-	-	-
187				-	-	-	-	-	-
188				-	-	-	-	-	-
189				-	-	-	-	-	-
190				-	-	-	-	-	-
191				-	-	-	-	-	-
192				-	-	-	-	-	-
193				-	-	-	-	-	-
194				-	-	-	-	-	-
195				-	-	-	-	-	-
196				-	-	-	-	-	-
197				-	-	-	-	-	-
198				-	-	-	-	-	-
199				-	-	-	-	-	-
200				-	-	-	-	-	-
201				-	-	-	-	-	-
202				-	-	-	-	-	-
203				-	-	-	-	-	-
204				-	-	-	-	-	-
205				-	-	-	-	-	-
206				-	-	-	-	-	-
207	</								

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

6,231,234
(182,343)
6,048,891
160,816
2.66%

Red Rock Utilities - Water Division
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.9
Witness: Bourassa

NARUC			2011										
Line No.	Account No.	Description	Allowed Deprec. Rate	Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.
1	301	Organization Cost	0.00%	-	-	-	-	-	-	-	-	54,297	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	-	-	95,236	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	-	32,810	-
4	304	Structures & Improvements	3.33%	-	(11,835)	(11,835)	-	-	-	-	465	8,049	2,157
5	305	Collecting & Impounding Reservoirs	2.50%	-	(174)	(174)	-	-	-	-	2	-	22
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	(46,402)	(46,402)	-	-	-	-	23,793	691,317	132,712
8	308	Infiltration Galleries	6.67%	-	(3,068)	(3,068)	-	-	-	-	102	-	1,023
9	309	Raw Water Supply Mains	2.00%	-	(8,169)	(8,169)	-	-	-	-	82	-	817
10	310	Power Generation Equipment	5.00%	-	46,402	46,402	-	-	-	-	1,394	51,082	2,447
11	311	Pumping Equipment	12.50%	-	-	-	-	-	-	-	-	-	-
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	-	19,083	573,066	82,043
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-	-	32,290	1,454,518	173,850
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	-	8,342	8,342	-	-	-	-	46,768	2,343,549	173,554
19	333	Services	3.33%	-	-	-	-	-	-	-	-	518,785	62,970
20	334	Meters	8.33%	5,084	-	5,084	-	-	-	-	11,153	136,426	42,538
21	335	Hydrants	2.00%	-	-	-	-	-	-	-	4,160	208,018	15,330
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	651	198
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-	-	-	43	-	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	-	384	5,752	1,777
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	-	-	-	-	1,645	8,224	7,402
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-	153	3,836	690
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	-	143	2,856	785
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-	1,472	14,718	8,095
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	911	18,224	4,100
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	4.00%	-	-	-	-	-	-	-	-	-	-
34													
35		TOTALS		5,084	(14,904)	(9,820)	-	-	-	-	161,339	6,221,414	712,611

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

6,221,414
(182,343)
6,039,071
161,339
2.67%

Red Rock Utilities - Water Division
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.10
Witness: Bourassa

NARUC Account No.		Description	Allowed Deprec. Rate	Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage And Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.
1	301	Organization Cost	0.00%	-	-	-	-	-	-	-	-	54,297	-
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	-	-	95,236	-
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	-	32,810	-
4	304	Structures & Improvements	3.33%	-	-	-	-	-	-	-	268	8,049	2,425
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-	-	-	22
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-	-
7	307	Wells & Springs	3.33%	-	-	-	-	-	-	-	-	-	-
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-	-	-	-
11	311	Pumping Equipment	12.50%	-	-	-	-	-	-	-	-	-	-
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	-	-	-	-	-	-	-	-	-	-
19	333	Services	3.33%	-	-	-	-	-	-	-	-	-	-
20	334	Meeters	8.33%	-	-	-	-	-	-	-	-	-	-
21	335	Hydrants	2.00%	-	-	-	-	-	-	-	-	-	-
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	-	-	-	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	4.00%	-	-	-	-	-	-	-	-	-	-
34													
35													
36													
TOTALS				13,376	-	13,376	-	-	-	-	161,424	6,234,790	874,035

Unadjusted Plant Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

6,234,790
(182,343)
6,052,447
161,424
2.67%

Red Rock Utilities - Water Division
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.11
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2013									
				Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Excess Capacity A/D Adjustment	Plant Balance
1	301	Organization Cost	0.00%	-	-	-	-	-	-	-	-	-	54,297
2	302	Franchise Cost	0.00%	-	-	-	-	-	-	-	-	-	73,931
3	303	Land and Land Rights	0.00%	-	-	-	-	-	-	-	-	-	32,810
4	304	Structures & Improvements	3.33%	-	-	-	-	268	-	-	-	(21,306)	8,049
5	305	Collecting & Impounding Reservoirs	2.50%	-	-	-	-	-	-	-	-	-	2,693
6	306	Lake, River, Canal Intakes	2.50%	-	-	-	-	-	-	-	-	-	22
7	307	Wells & Springs	3.33%	-	-	-	-	-	-	-	23,021	-	681,317
8	308	Infiltration Galleries	6.67%	-	-	-	-	-	-	-	-	-	-
9	309	Raw Water Supply Mains	2.00%	-	-	-	-	-	-	-	-	-	-
10	310	Power Generation Equipment	5.00%	-	-	-	-	-	-	-	2,554	-	51,082
11	311	Pumping Equipment	12.50%	-	-	-	-	-	-	-	19,063	(309,456)	263,610
12	320	Water Treatment Equipment	3.33%	-	-	-	-	-	-	-	-	-	-
13	320.1	Water Treatment Plants	3.33%	-	-	-	-	-	-	-	-	-	-
14	320.2	Solution Chemical Feeders	20.00%	-	-	-	-	-	-	-	-	-	-
15	330	Distribution Reservoirs & Standpipes	2.22%	-	-	-	-	-	-	-	-	-	-
16	330.1	Storage Tanks	2.22%	-	-	-	-	-	-	-	-	-	-
17	330.2	Pressure Tanks	5.00%	-	-	-	-	-	-	-	-	-	-
18	331	Transmission & Distribution Mains	2.00%	-	-	-	-	-	-	-	-	-	-
19	333	Services	3.33%	-	-	-	-	-	-	-	-	-	-
20	334	Meters	8.33%	-	-	-	-	-	-	-	-	-	-
21	335	Hydrants	2.00%	-	-	-	-	-	-	-	-	-	-
22	336	Backflow Prevention Devices	6.67%	-	-	-	-	-	-	-	-	-	-
23	339	Other Plant & Misc Equipment	6.67%	-	-	-	-	-	-	-	-	-	-
24	340	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	-	-	-	-
25	340.1	Computers & Software	20.00%	-	-	-	-	-	-	-	-	-	-
26	341	Transportation Equipment	20.00%	-	-	-	-	-	-	-	-	-	-
27	342	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-
28	343	Tools, Shop & Garage Equipment	5.00%	-	-	-	-	-	-	-	-	-	-
29	344	Laboratory Equipment	10.00%	-	-	-	-	-	-	-	-	-	-
30	345	Power Operated Equipment	5.00%	-	-	-	-	-	-	-	-	-	-
31	346	Communication Equipment	10.00%	-	-	-	-	-	-	-	-	-	-
32	347	Miscellaneous Equipment	10.00%	-	-	-	-	-	-	-	-	-	-
33	348	Other Tangible Plant	4.00%	-	-	-	-	-	-	-	-	-	-
34				-	-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-	-
36		TOTALS		10,656	-	10,656	-	-	-	-	161,654	(927,113)	5,318,333
													(162,670)
													873,019

Unadjusted Plant Balance
Non-Depr. or Fully Depr Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

5,224,141
(161,038)
5,063,103
161,654
2.67%

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2

Accumulated Depreciation

Line No.	Acct. No.	Description	Per Books Accum. Depr.	A Excess Capacity Adjustments	B Reconciliation to Reconstruction of PIS Balance	Adjustments C Intentionally Left Blank	D Intentionally Left Blank	E Intentionally Left Blank	Adjusted Accum. Depr.
1	301	Organization Cost	31,485		(31,485)				-
2	302	Franchise Cost	11,484		(11,484)				-
3	303	Land and Land Rights	3,034		(341)				2,693
4	304	Structures and Improvements			22				22
5	305	Collecting and Impounding Res.							-
6	306	Lake River and Other Intakes							-
7	307	Wells and Springs	248,396		(69,642)				178,754
8	308	Infiltration Galleries and Tunnels			1,023				1,023
9	309	Supply Mains	17,024		(16,207)				817
10	310	Power Generation Equipment			7,555				7,555
11	311	Electric Pumping Equipment			-				-
12	312	Water Treatment Plant	153,438	(64,913)	(33,229)				55,296
13	320.1	Water Treatment Plant			-				-
14	320.2	Chemical Solution Feeders			-				-
15	330	Dist. Reservoirs & Standpipe	504,863	(97,757)	(286,432)				140,674
16	330.1	Storage tanks			-				-
17	330.2	Pressure Tanks			-				-
18	331	Trans. and Dist. Mains	668,109		(400,813)				267,296
19	333	Services	145,418		(48,897)				97,521
20	334	Meters	39,872		26,845				66,717
21	335	Hydrants	59,128		(35,477)				23,651
22	336	Backflow Prevention Devices			-				-
23	339	Other Plant and Misc. Equip.	212		73				285
24	340	Office Furniture and Fixtures	1,887		657				2,544
25	340.1	Computers and Software			-				-
26	341	Transportation Equipment	2,673		5,551				8,224
27	342	Stores Equipment			997				997
28	343	Tools and Work Equipment	2,246		(1,175)				1,071
29	344	Laboratory Equipment	5,152		5,887				11,039
30	345	Power Operated Equipment	5,923		(0)				5,923
31	346	Communications Equipment			-				-
32	347	Miscellaneous Equipment	459		460				919
33	348	Other Tangible Plant			-				-
34		TOTALS	\$ 1,901,803	\$ (162,670)	\$ (866,114)	\$ -	\$ -	\$ -	\$ 873,019
35		Accumulated Depreciation per Books							\$ 1,901,802
36		Increase (decrease) in Accumulated Depreciation							\$ (1,028,783)
37		Adjustment to Accumulated Depreciation							\$ (1,028,783)

SUPPORTING SCHEDULES
B-2, pages 3.1 to 3.19

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2-A

Exhibit
Schedule B-2
Page 4.1
Witness: Bourassa

Excess Capacity Adjustment

Line

No.	Acct.	Description	Computed	Projected	Excess
			A/D Balance Before Capacity Adjustment	Excess Capacity as Percent	Capacity Adjustment
1					
2					
3					
4					
5					
6					
7	320	Water Treatment Equipment	120,209	54%	64,913
8	330	Dist. Reservoirs & Standpipe	238,431	41%	97,757
9		TOTAL			\$ 162,670
10					
11					
12		Increase (decrease) in Plant-in-Service			\$ (162,670)
13					
14		Adjustment to Plant-in-Service			\$ (162,670)
15					
16		<u>SUPPORTING SCHEDULES</u>			
17		B-2 pages 3.2			
18					
19					
20					

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2-B

Exhibit
Schedule B-2
Page 4.2
Witness: Bourassa

Reconciliation of Accumulated Depreciation (A/D) Balance to Reconstructed Balance

Line No.	Acct. No.	Description	A/D Balance	B-2 Adjustments	Adjusted A/D Balance	A/D Balance Per Reconstruction	Adjustments to Reconcile
1	301	Organization Cost	-	-	-	-	-
2	302	Franchise Cost	31,485	-	31,485	-	(31,485)
3	303	Land and Land Rights	11,484	-	11,484	-	(11,484)
4	304	Structures and Improvements	3,034	-	3,034	2,693	(341)
5	305	Collecting and Impounding Res.	-	-	-	22	22
6	306	Lake River and Other Intakes	-	-	-	-	-
7	307	Wells and Springs	248,396	-	248,396	178,754	(69,642)
8	308	Infiltration Galleries and Tunnels	-	-	-	1,023	1,023
9	309	Supply Mains	17,024	-	17,024	817	(16,207)
10	310	Power Generation Equipment	-	-	-	7,555	7,555
11	311	Electric Pumping Equipment	-	-	-	-	-
12	312	Water Treatment Plant	153,438	(64,913)	88,525	55,296	(33,229)
13	320.1	Water Treatment Plant	-	-	-	-	-
14	320.2	Chemical Solution Feeders	-	-	-	-	-
15	330	Dist. Reservoirs & Standpipe	-	(97,757)	407,106	140,674	(266,432)
16	330.1	Storage tanks	504,863	-	-	-	-
17	330.2	Pressure Tanks	-	-	-	-	-
18	331	Trans. and Dist. Mains	668,109	-	668,109	267,296	(400,813)
19	333	Services	146,418	-	146,418	97,521	(48,897)
20	334	Meters	39,872	-	39,872	66,717	26,845
21	335	Hydrants	59,128	-	59,128	23,651	(35,477)
22	336	Backflow Prevention Devices	-	-	-	-	-
23	339	Other Plant and Misc. Equip.	212	-	212	285	73
24	340	Office Furniture and Fixtures	1,887	-	1,887	2,544	657
25	340.1	Computers and Software	-	-	-	-	-
26	341	Transportation Equipment	2,673	-	2,673	8,224	5,551
27	342	Stores Equipment	-	-	-	997	997
28	343	Tools and Work Equipment	2,246	-	2,246	1,071	(1,175)
29	344	Laboratory Equipment	5,152	-	5,152	11,039	5,887
30	345	Power Operated Equipment	5,923	-	5,923	5,923	(0)
31	346	Communications Equipment	-	-	-	-	-
32	347	Miscellaneous Equipment	459	-	459	919	460
33	348	Other Tangible Plant	-	-	-	-	-
34		TOTALS	\$ 1,901,803	\$ (162,670)	\$ 1,739,133	\$ 873,019	\$ (866,114)

Increase (decrease) in A/D

\$ (866,114)

Adjustment to A/D

\$ (866,114)

SUPPORTING SCHEDULES

B-2, pages 4

B-2, pages 3.4-3.11

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment 3

Exhibit
Schedule B-2
Page 5
Witness: Bourassa

Contributions-in-Aid of Construction (CIAC) and Accumulated Amortization

Line
No.

	Gross CIAC	Accumulated Amortization
1		
2		
3		
4		
5	Computed balance	
6	\$ 233,715	\$ 27,711
7	Book balance at end of TY	
8	\$ 233,715	\$ 52,586
9	Increase (decrease)	
10	\$ -	\$ (24,875)
11		
12	Adjustment to CIAC/AA CIAC	
13	\$ -	\$ 24,875
14	Label	
15	3a	3b
16		
17		
18		
19		
20		
21		
22		
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SUPPORTING SCHEDULES

E-1

B-2, page 5.1

Line No.		2006		2007		2008		2009		2010		2011	
		Balance 12/31/2005	Additions	Balance 12/31/2006	Additions	Balance 12/31/2007	Additions	Balance 12/31/2008	Additions	Balance 12/31/2009	Additions	Balance 12/31/2010	Additions
1		-	-	-	-	-	-	-	-	233,715	233,715	233,715	233,715
2		-	-	-	-	-	-	-	-	-	-	-	-
3		-	-	-	-	-	-	-	-	-	-	-	-
4	CIAC	-	-	-	-	-	-	-	-	-	-	-	-
5		-	-	-	-	-	-	-	-	-	-	-	-
6		-	-	-	-	-	-	-	-	-	-	-	-
7	Beginning Amortization Balance	-	-	-	-	-	-	-	-	-	-	-	-
8	Amortization Rate	-	-	1.35%	-	1.99%	-	2.68%	-	2.35%	-	2.65%	-
9	Amortization (1/2 yr convention)	-	-	-	-	-	-	-	-	2,768	-	6,244	-
10	Accumulated Amortization	-	-	-	-	-	-	-	-	2,768	-	9,002	-
11		-	-	-	-	-	-	-	-	-	-	-	-
12	Net CIAC	-	-	-	-	-	-	-	-	233,715	230,927	224,713	-
13		-	-	-	-	-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-	-	-	-	-
16		-	-	-	-	-	-	-	-	-	-	-	-
17		-	-	-	-	-	-	-	-	-	-	-	-
18		-	-	-	-	-	-	-	-	-	-	-	-
19		-	-	-	-	-	-	-	-	-	-	-	-
20	CIAC	-	-	-	-	-	-	-	-	-	-	-	-
21		-	-	-	-	-	-	-	-	-	-	-	-
22		-	-	-	-	-	-	-	-	-	-	-	-
23	Amortization Rate	-	-	-	-	-	-	-	-	-	-	-	-
24	Amortization (1/2 yr convention)	-	-	-	-	-	-	-	-	-	-	-	-
25	Accumulated Amortization	-	-	-	-	-	-	-	-	-	-	-	-
26		-	-	-	-	-	-	-	-	-	-	-	-
27	Net CIAC	-	-	-	-	-	-	-	-	-	-	-	-
28		-	-	-	-	-	-	-	-	-	-	-	-
29		-	-	-	-	-	-	-	-	-	-	-	-

2012		2013	
Balance 12/31/2012	Additions	Balance 12/31/2013	Additions
233,715	-	233,715	-
2.67%	-	2.67%	-
6,233	-	6,231	-
21,479	-	27,711	-
-	-	206,004	-

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment 4

Exhibit
Schedule B-2
Page 6
Witness: Bourassa

Line
No.

1	<u>Remove Verano Division related AIAC</u>	
2		
3		
4	Verano AIAC funding Plant Held for Future Use	\$ 750,000
5		
6		
7		
8	Increase(decrease) in AIAC	<u>\$ (750,000)</u>
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21	<u>REFERENCE</u>	
22	Testimony	
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Red Rock Ultiities, LLC - Water Division
Test Year Ended December 31, 2013
Computation of Working Capital

Exhibit
Schedule B-5
Page 1
Witness: Bourassa

Line
No.

1	Cash Working Capital (1/8 of Allowance		
2	Operation and Maintenance Expense)	\$	28,474
3	Pumping Power (1/24 of Pumping Power)		1,238
4	Purchased Water (1/24 of Purchased Water)		-
5	Prepaid Expenses		
6			
7			
8			
9	Total Working Capital Allowance	\$	29,713
10			
11			
12	Working Capital Requested	\$	-
13			
14			
15			
16			
17		<u>Adjusted Test Year</u>	
18	Total Operating Expense	\$	416,350
19	Less:		
20	Income Tax	\$	-
21	Property Tax		26,568
22	Depreciation		132,265
23	Purchased Water		-
24	Pumping Power		29,723
25	Allowable Expenses	\$	227,794
26	1/8 of allowable expenses	\$	28,474
27			

28
29 SUPPORTING SCHEDULES:
30 E-1

RECAP SCHEDULES:
B-1

31
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Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Income Statement

Exhibit
Schedule C-1
Page 1
Witness: Bourassa

Line No.		Test Year Book Results	Adjustment	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
1	Revenues					
2	Metered Water Revenues	\$ 359,204	\$ 164,566	\$ 523,770	\$ 14,480	\$ 538,249
3	Unmetered Water Revenues	-	-	-	-	-
4	Other Water Revenues	9,276	-	9,276	-	9,276
5		<u>\$ 368,480</u>	<u>\$ 164,566</u>	<u>\$ 533,046</u>	<u>\$ 14,480</u>	<u>\$ 547,525</u>
6	Operating Expenses					
7	Salaries and Wages	\$ 45,670	-	\$ 45,670	-	\$ 45,670
8	Employee Pensions and Benefits	1,564	-	1,564	-	1,564
9	Purchased Water	-	-	-	-	-
10	Purchased Power	20,220	9,503	29,723	-	29,723
11	Chemicals	2,365	-	2,365	-	2,365
12	Repairs and Maintenance	37,989	-	37,989	-	37,989
13	Office Supplies and Expense	884	-	884	-	884
14	Contractual Services - Engineering	-	-	-	-	-
15	Contractual Services - Mgmt Fee	60,000	-	60,000	-	60,000
16	Contractual Services - Legal & Accounting	27,776	-	27,776	-	27,776
17	Contractual Services - Other	16,914	-	16,914	-	16,914
18	Contractual Services - Water Testing	1,378	-	1,378	-	1,378
19	Rents	-	-	-	-	-
20	Transportation Expenses	-	-	-	-	-
21	Insurance - Vehicle	-	-	-	-	-
22	Insurance - General Liability	11,438	-	11,438	-	11,438
23	Insurance - Worker's Comp	-	-	-	-	-
24	Regulatory Commission Expense	-	-	-	-	-
25	Regulatory Commission Expense - Rate Ca	-	5,000	5,000	-	5,000
26	Bad Debt Expense	-	-	-	-	-
27	Miscellaneous Expense	15,637	(2,279)	13,358	-	13,358
28	Sales Tax Expense	23,977	(23,977)	-	-	-
29	Depreciation Expense	297,605	(165,340)	132,265	-	132,265
30	Taxes Other Than Income	3,458	-	3,458	-	3,458
31	Property Taxes	2,128	24,440	26,568	241	26,809
32	Income Tax	-	-	-	-	-
33						
34	Total Operating Expenses	<u>\$ 569,003</u>	<u>\$ (152,653)</u>	<u>\$ 416,350</u>	<u>\$ 241</u>	<u>\$ 416,591</u>
35	Operating Income	<u>\$ (200,523)</u>	<u>\$ 317,218</u>	<u>\$ 116,695</u>	<u>\$ 14,239</u>	<u>\$ 130,934</u>
36	Other Income (Expense)					
37	Interest Income	4,859	-	4,859	-	4,859
38	Other income	-	-	-	-	-
39	Interest Expense	-	-	-	-	-
40	Other Expense	-	-	-	-	-
41		-	-	-	-	-
42	Total Other Income (Expense)	<u>\$ 4,859</u>	<u>\$ -</u>	<u>\$ 4,859</u>	<u>\$ -</u>	<u>\$ 4,859</u>
43	Net Profit (Loss)	<u>\$ (195,664)</u>	<u>\$ 317,218</u>	<u>\$ 121,554</u>	<u>\$ 14,239</u>	<u>\$ 135,793</u>

SUPPORTING SCHEDULES:
C-1, page 2
E-2

RECAP SCHEDULES:
A-1

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Income Statement

Exhibit
Schedule C-1
Page 2
Witness: Bourassa

Line No.	1	2	3	4	5	6	7	8	9	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
	Test Year Book Results	Property Taxes	Rate Case Expense	Annualized Revenues Projected Growth	Reverse Revenue Accrual	Remove Sales tax Expense	Remove Variano Expense	Intentionally Left Blank	Intentionally Left Blank			
1	Revenues											
2	Metered Water Revenues									\$ 523,770	\$ 14,480	\$ 538,249
3	Unmetered Water Revenues											
4	Other Water Revenues											
5												
6	Operating Expenses											
7	Salaries and Wages									\$ 523,770	\$ 14,480	\$ 538,249
8	Employee Pensions and Benefits											
9	Purchased Water											
10	Chemicals											
11	Repairs and Maintenance											
12	Office Supplies and Expense											
13	Contractual Services - Engineering											
14	Contractual Services - Mgrmt Fee											
15	Contractual Services - Legal & Accounting											
16	Contractual Services - Other											
17	Contractual Services - Water Testing											
18	Rents											
19	Transportation Expenses											
20	Insurance - Vehicle											
21	Insurance - General Liability											
22	Insurance - Worker's Comp											
23	Reg. Comm. Expense											
24	Reg. Comm. Expense - Rate Case											
25	Bad Debt Expense											
26	Miscellaneous Expense											
27	Sales Tax Expense											
28	Depreciation Expense											
29	Taxes Other Than Income											
30	Property Taxes											
31	Income Tax											
32												
33												
34												
35	Total Operating Expenses											
36	Operating Income											
37	Other Income (Expense)											
38	Interest Income											
39	Other Income											
40	Interest Expense											
41	Other Expense											
42												
43	Total Other Income (Expense)											
44	Net Profit (Loss)											

SUPPORTING SCHEDULES:
C-2
E-2

RECAP SCHEDULES:
C-1 page 1

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustments to Revenues and Expenses

Exhibit
Schedule C-2
Page 1
Witness: Bourassa

Line No.	<u>Adjustments to Revenues and Expenses</u>						<u>Subtotal</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	
	<u>Depreciation</u>	<u>Property Taxes</u>	<u>Rate Case Expense</u>	<u>Annualized Revenues Projected Growth</u>	<u>Reverse Revenue Accrual</u>	<u>Remove Sales tax Expense</u>	
1							
2							
3							
4	Revenues			179,937	(15,371)		164,566
5							
6	Expenses	(165,340)	24,440	5,000	-	(23,977)	(159,877)
7							
8	Operating						
9	Income	165,340	(24,440)	(5,000)	179,937	(15,371)	23,977
10							
11	Interest						
12	Expense						-
13	Other						
14	Income /						-
15	Expense						
16							
17	Net Income	165,340	(24,440)	(5,000)	179,937	(15,371)	23,977
18							
19							
20		<u>Adjustments to Revenues and Expenses</u>					
21		<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>
22		<u>Remove</u>	<u>Intentionally</u>	<u>Intentionally</u>	<u>Intentionally</u>	<u>Intentionally</u>	<u>Intentionally</u>
23		<u>Verano</u>	<u>Left</u>	<u>Left</u>	<u>Left</u>	<u>Left</u>	<u>Left</u>
24		<u>Expense</u>	<u>Blank</u>	<u>Blank</u>	<u>Blank</u>	<u>Blank</u>	<u>Blank</u>
25	Revenues						
26							
27	Expenses	(2,279)	-				
28							
29	Operating						
30	Income	2,279	-	-	-	-	-
31							
32	Interest						
33	Expense	-					-
34	Other						
35	Income /						-
36	Expense						
37							
38	Net Income	2,279	-	-	-	-	326,722
39							

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustments to Revenues and Expenses
Adjustment Number 1

Exhibit
Schedule C-2
Page 2
Witness: Bourassa

Depreciation Expense

Line No.	Acct.	Description	Adjusted Original Cost	Fully Depr/ Non-Depr	Depreciable Cost	Proposed Rates	Depreciation Expense
1							
2							
3							
4							
5	301	Organization Cost	54,297	(54,297)	-	0.00%	-
6	302	Franchise Cost	73,931	(73,931)	-	0.00%	-
7	303	Land and Land Rights	32,810	(32,810)	-	0.00%	-
8	304	Structures and Improvements	8,049		8,049	3.33%	268
9	305	Collecting and Impounding Res.	-		-	2.50%	-
10	306	Lake River and Other Intakes	-		-	2.50%	-
11	307	Wells and Springs	691,317		691,317	3.33%	23,021
12	308	Infiltration Galleries and Tunnels	-		-	6.67%	-
13	309	Supply Mains	-		-	2.00%	-
14	310	Power Generation Equipment	51,082		51,082	5.00%	2,554
15	311	Electric Pumping Equipment	-		-	12.50%	-
16	320	Water Treatment Equipment	263,610		263,610	3.33%	8,778
17	320.1	Water Treatment Plant	-		-	3.33%	-
18	320.2	Chemical Solution Feeders	-		-	20.00%	-
19	330	Dist. Reservoirs & Standpipe	858,166		858,166	2.22%	19,051
20	330.1	Storage tanks	-		-	2.22%	-
21	330.2	Pressure Tanks	-		-	5.00%	-
22	331	Trans. and Dist. Mains	2,343,549		2,343,549	2.00%	46,871
23	333	Services	518,785		518,785	3.33%	17,276
24	334	Meters	154,334		154,334	8.33%	12,856
25	335	Hydrants	208,018		208,018	2.00%	4,160
26	336	Backflow Prevention Devices	-		-	6.67%	-
27	339	Other Plant and Misc. Equip.	651		651	6.67%	43
28	340	Office Furniture and Fixtures	5,752		5,752	6.67%	384
29	340.1	Computers and Software	-		-	20.00%	-
30	341	Transportation Equipment	8,224	(8,224)	-	20.00%	-
31	342	Stores Equipment	3,836		3,836	4.00%	153
32	343	Tools and Work Equipment	2,856		2,856	5.00%	143
33	344	Laboratory Equipment	14,718		14,718	10.00%	1,472
34	345	Power Operated Equipment	18,224		18,224	5.00%	911
35	346	Communications Equipment	-		-	10.00%	-
36	347	Miscellaneous Equipment	6,124		6,124	10.00%	612
37	348	Other Tangible Plant	-		-	10.00%	-
38		TOTALS	\$ 5,318,333	\$ (169,262)	\$ 5,149,071		\$ 138,554
39							
40							
41		Less: Amortization of Contributions			Gross CIAC \$ 233,715	Amort. Rate 2.6909%	\$ (6,289)
42		Total Depreciation Expense					\$ 132,265
43							
44		Test Year Depreciation Expense					297,605
45							
46		Increase (decrease) in Depreciation Expense					(165,340)
47							
48		Adjustment to Revenues and/or Expenses					\$ (165,340)
49							
50		<u>SUPPORTING SCHEDULE</u>					
51		B-2, page 3					

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 2

Exhibit
Schedule C-2
Page 3
Witness: Bourassa

Property Taxes

Line No.	DESCRIPTION	Test Year as adjusted	Company Recommended
1	Company Adjusted Test Year Revenues - 2007	\$ 533,046	\$ 533,046
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	1,066,091	1,066,091
4	Company Recommended Revenue	533,046	547,525
5	Subtotal (Line 4 + Line 5)	1,599,137	1,613,617
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	533,046	537,872
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	1,066,091	1,075,744
10	Plus: 10% of CWIP - 2010	-	-
11	Less: Net Book Value of Licensed Vehicles	0	0
12	Full Cash Value (Line 9 + Line 10 - Line 11)	1,066,091	1,075,744
13	Assessment Ratio	18.0%	18.0%
14	Assessment Value (Line 12 * Line 13)	191,896	193,634
15	Composite Property Tax Rate - Obtained from ADOR	13.8449%	13.8449%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$ 26,568	\$ 26,809
17	Tax on Parcels	-	-
18	Total Property Taxes (Line 16 + Line 17)	\$ 26,568	
19	Test Year Property Taxes	\$ 2,128	
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	\$ 24,440	
21			
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)		\$ 26,809
23	Company Test Year Adjusted Property Tax Expense (Line 18)		\$ 26,568
24	Increase in Property Tax Due to Increase in Revenue Requirement		\$ 241
25			
26	Increase in Property Tax Due to Increase in Revenue Requirement (Line 24)		\$ 241
27	Increase in Revenue Requirement		\$ 14,480
28	Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27)		1.66139%
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 3

Exhibit
Schedule C-2
Page 4
Witness: Bourassa

Rate Case Expense

Line

No.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

Estimated Rate Case Expense

\$ 25,000

Estimated Amortization Period in Years

5

Annual Rate Case Expense

\$ 5,000

Test Year Rate Case Expense

\$ -

Increase(decrease) in Reg. Comm. Rate Case Expense

\$ 5,000

Adjustment to Revenue and/or Expense

\$ 5,000

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 4

Exhibit
Schedule C-2
Page 5
Witness: Bourassa

Additional Revenues/Expense from Projected Customer Growth

Line

No.

1	<u>Projected Additional Revenues</u>	
2	Projected additional number of customers over next 5 years	400
3	Average 5/8x3/4 inch residential monthly bill during test year (H-2, page 1)	\$ 37.49
4	Additional monthly revenues	\$ 14,995
5	Number of months	12
6	Additional projected annual revenues	179,937
7		
8	Total additional annual revenues	<u>\$ 179,937</u>
9		
10	Increase(decrease) in Metered Revenues	<u>\$ 179,937</u>
11		
12	Adjustment to Revenue and/or Expense	<u>\$ 179,937</u>
13		
14	<u>Projected Additional Purchased Power Expense</u>	
15	Test year purchased power expense	\$ 20,220
16	Gallons sold (in 1000's)	52,647
17	Cost per 1,000 gallons	\$ 0.3841
18		
19	Projected additional number of customers over next 5 years	400
20	Average 5/8x3/4 inch residential usage during test year in 1,100's (H-2, page 1)	5.155
21	Additional monthly gallons sold	2,062
22	Cost per 1,000 gallons	\$ 0.3841
23	Additional monthly pumping power expense	\$ 792
24	Number of months	12
25	Additional projected annual pumping power expense	\$ 9,503
26		
27	Increase(decrease) in Purchased Power Expense	<u>\$ 9,503</u>
28		
29	Adjustment to Revenue and/or Expense	<u>\$ 9,503</u>
30		
31		
32	<u>REFERENCE</u>	
33	Testimony	

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 5

Exhibit
Schedule C-2
Page 6
Witness: Bourassa

Reverse Revenue Accrual

Line

No.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

Revenue accrual recorded during test year

\$ 15,371

Total

\$ 15,371

Increase(decrease) in Metered Revenues

\$ (15,371)

Adjustment to Revenue and/or Expense

\$ (15,371)

REFERENCE

Testimony

work papers

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 6

Exhibit
Schedule C-2
Page 7
Witness: Bourassa

Remove Sales Tax Expense

Line

No.

1

2 Test year sales tax expense

\$ 23,977

3

4

5 Total

\$ 23,977

6

7

8 Increase(decrease) in Sales Tax Expense

\$ (23,977)

9

10 Adjustment to Revenue and/or Expense

\$ (23,977)

11

12

13 REFERENCE

14 C-1

15 Testimony

16 work papers

17

18

19

20

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2001
Adjustment to Revenues and Expenses
Adjustment Number 7

Exhibit
Schedule C-2
Page 8
Witness: Bourassa

Remove Verano Division Expense

Line

No.

1

2

Test year expenses related to Verano

2,279

3

4

5

Total

\$ 2,279

6

7

Increase(decrease) in Miscellaneous Expense

\$ (2,279)

8

9

10

Adjustment to Revenue and/or Expense

\$ (2,279)

11

12

13

REFERENCE

14

C-1

15

Testimony

16

work papers

17

18

19

20

21

22

Red Rock Ultiities, LLC - Water Division
Test Year Ended December 31, 2013
Adjustment to Revenues and/or Expenses
Adjustment Number 8

Exhibit
Schedule C-2
Page 9
Witness: Bourassa

Line
No.

1 Income Tax Computation

	Test Year Adjusted Results	Adjusted with Rate Increase
2		
3		
4		
5		
6	Revenue \$ 533,046	\$ 547,525
	Operating Expenses Excluding Income Taxes 416,350	416,591
	Synchronized Interest -	-
7	Income Before Taxes \$ 116,695	\$ 130,934
8		
9	Arizona Income Before Taxes \$ 116,695	\$ 130,934
10		
11	Less: Effective Arizona Income Tax \$ -	\$ -
12	Rate = 0.0000% ¹	
13	Arizona Taxable Income \$ 116,695	\$ 130,934
14		
15	Arizona Income Taxes \$ -	\$ -
16		
17	Federal Income Before Taxes \$ 116,695	\$ 130,934
18		
19	Less Arizona Income Taxes \$ -	\$ -
20		
21	Federal Taxable Income \$ 116,695	\$ 130,934
22		
23		
24		
25	FEDERAL INCOME TAXES:	
26	Effective Federal Tax Rate = 0.0000% ¹	\$ -
27		
28		
29		
30		
31		
32	Federal Income Taxes \$ -	\$ -
33		
34		
35	Total Income Tax \$ -	\$ -
36		
37	Overall Tax Rate 0.00%	0.00%
38		
39	Income Tax \$ -	\$ -
40	Test Year Income tax Expense -	-
41	Adjustment to Income Tax Expense \$ -	\$ -
42		
43		

44 ¹ See work papers/testimony

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Computation of Gross Revenue Conversion Factor

Exhibit
Schedule C-3
Page 1
Witness: Bourassa

Line No.	Description	Percentage of Incremental Gross Revenues
1	Combined Federal and State Effective Income Tax Rate	0.000%
2		
3	Property Taxes	1.661%
4		
5		
6	Total Tax Percentage	1.661%
7		
8	Operating Income % = 100% - Tax Percentage	98.339%
9		
10		
11		
12		
13	$\frac{1}{\text{Operating Income \%}}$ = Gross Revenue Conversion Factor	
14		1.0169
15		
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25	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
26	C-3, page 2	A-1
27		
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GROSS REVENUE CONVERSION FACTOR

Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)
<u>Calculation of Gross Revenue Conversion Factor:</u>							
1	Revenue	100.0000%					
2	Uncollectible Factor (Line 11)	0.0000%					
3	Revenues (L1 - L2)	100.0000%					
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	1.6614%					
5	Subtotal (L3 - L4)	98.3386%					
6	Revenue Conversion Factor (L1 / L5)	1.016895					
<u>Calculation of Uncollectible Factor:</u>							
7	Unity	100.0000%					
8	Combined Federal and State Tax Rate (Line 17)	0.0000%					
9	One Minus Combined Income Tax Rate (L7 - L8)	100.0000%					
10	Uncollectible Rate	0.0000%					
11	Uncollectible Factor (L9 * L10)		0.0000%				
<u>Calculation of Effective Tax Rate:</u>							
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%					
13	Arizona State Income Tax Rate	0.0000%					
14	Federal Taxable Income (L12 - L13)	100.0000%					
15	Applicable Federal Income Tax Rate (Line 44)	0.0000%					
16	Effective Federal Income Tax Rate (L14 * L15)	0.0000%					
17	Combined Federal and State Income Tax Rate (L13 + L16)		0.0000%				
<u>Calculation of Effective Property Tax Factor:</u>							
18	Unity	100.0000%					
19	Combined Federal and State Income Tax Rate (L17)	0.0000%					
20	One Minus Combined Income Tax Rate (L18-L19)	100.0000%					
21	Property Tax Factor	1.6614%					
22	Effective Property Tax Factor (L20*L21)		1.6614%				
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			1.6614%			
24	Required Operating Income	\$ 130,934					
25	Adjusted Test Year Operating Income (Loss)	\$ 116,695					
26	Required Increase in Operating Income (L24 - L25)		\$ 14,239				
27	Income Taxes on Recommended Revenue (Col. (F), L52)	\$ -					
28	Income Taxes on Test Year Revenue (Col. (C), L52)	\$ -					
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		\$ -				
30	Recommended Revenue Requirement	\$ 547,525					
31	Uncollectible Rate (Line 10)	0.0000%					
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ -					
33	Adjusted Test Year Uncollectible Expense	\$ -					
34	Required Increase in Revenue to Provide for Uncollectible Exp.		\$ -				
35	Property Tax with Recommended Revenue	\$ 28,809					
36	Property Tax on Test Year Revenue	\$ 26,568					
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		\$ 241				
38	Total Required Increase in Revenue (L26 + L29 + L37)		\$ 14,480				

	(A)	(B)	(C)	(D)	(E)	(F)
<u>Calculation of Income Tax:</u>						
39	Red Rock Utilities, LLC - Water Division					
40	Revenue	\$ 533,046	\$ 533,046	\$ 547,525	\$ 547,525	
41	Operating Expenses Excluding Income Taxes	\$ 416,350	\$ 416,350	\$ 416,591	\$ 416,591	
42	Synchronized Interest (L47)	\$ -	\$ -	\$ -	\$ -	
43	Arizona Taxable Income (L30 - L31 - L32)	\$ 116,695	\$ 116,695	\$ 130,935	\$ 130,935	\$ -
44	Arizona State Effective Income Tax Rate (see work papers)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
45	Arizona Income Tax (L33 * L34)	\$ -	\$ -	\$ -	\$ -	\$ -
46	Federal Taxable Income (L33 - L35)	\$ 116,695	\$ 116,695	\$ 130,935	\$ 130,935	\$ -
47	Effective Tax Rate (see work papers)	0.0000%	0.0000%	0.0000%	0.0000%	
48	Federal Income Tax	\$ -	\$ -	\$ -	\$ -	
49		\$ -	\$ -	\$ -	\$ -	
50		\$ -	\$ -	\$ -	\$ -	
51	Total Federal Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -
52	Combined Federal and State Income Tax (L35 + L42)	\$ -	\$ -	\$ -	\$ -	\$ -
53	COMBINED Applicable Federal Income Tax Rate [Col. (D), L51 - Col. (A), L51] / [Col. (D), L45 - Col. (A), L45]			0.0000%		
54	WATER Applicable Federal Income Tax Rate [Col. (E), L51 - Col. (B), L51] / [Col. (E), L45 - Col. (B), L45]				0.0000%	
55						

<u>Calculation of Interest Synchronization:</u>		
56	Rate Base	\$ 1,378,255
57	Weighted Average Cost of Debt	0.0000%
58	Synchronized Interest (L45 X L46)	\$ -

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Summary of Cost of Capital

Exhibit
Schedule D-1
Page 1
Witness: Bourassa

Consolidated Capital Structure of Water and Sewer Division

Line No.	Item of Capital	Adjusted End of Test Year				End of Projected Year			
		Dollar Amount	Percent of Total	Cost Rate	Weighted Cost	Dollar Amount	Percent of Total	Cost Rate	Weighted Cost
1	Long-Term Debt	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
2	Member's Equity	4,378,460 ¹	100.00%	9.50%	9.50%	4,242,799	100.00%	9.50%	9.50%
3									
4									
5	Totals	4,378,460	100.00%		9.50%	4,242,799	100.00%		9.50%
6									
7									
8									
9									
10									
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15									
16									
17									
18									
19									
20									
21									

SUPPORTING SCHEDULES:

D-1
D-3
D-4
E-1

RECAP SCHEDULES:
A-3

Red Rock Ultiities, LLC - Water Division
Test Year Ended December 31, 2013
Cost of Preferred Stock

Exhibit
Schedule D-3
Page 1
Witness: Bourassa

Line

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End of Test Year

End of Projected Year

Description
of Issue

Shares
Outstanding Amount Dividend
Requirement

Shares
Outstanding Amount Dividend
Requirement

NOT APPLICABLE, NO PREFERRED STOCK ISSUED OR OUTSTANDING

SUPPORTING SCHEDULES:

E-1

RECAP SCHEDULES:

D-1

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Cost of Common Equity

Exhibit
Schedule D-4
Page 1
Witness: Bourassa

Line

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17 SUPPORTING SCHEDULES:

18 E-1

19 Testimony

20

The Company is proposing a cost of common equity of

9.50% .

RECAP SCHEDULES:

D-1

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Comparative Balance Sheets

Exhibit
Schedule E-1
Page 1
Witness: Bourassa

Line No.		Test Year Ended 12/31/2013	Year Ended 12/31/2012	Year Ended 12/31/2011
1	ASSETS			
2	Plant In Service	\$ 6,245,444	\$ 6,234,788	\$ 6,200,108
3	Non-Utility Plant	-	-	-
4	Construction Work in Progress	-	-	-
5	Plant Hld for Future Use	719,573	709,407	341,135
6	Less: Accumulated Depreciation	(1,901,802)	(1,592,511)	(1,283,821)
7	Net Plant	<u>\$ 5,063,215</u>	<u>\$ 5,351,684</u>	<u>\$ 5,257,422</u>
8				
9	Debt Reserve Fund	\$ -	\$ -	\$ -
10		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
11				
12				
13	CURRENT ASSETS			
14	Cash and Equivalents	\$ 3,037	\$ 41,559	\$ 79,340
15	Restricted Cash	-	-	-
16	Accounts Receivable, Net	28,623	17,310	62,106
17	Inter-Division Receivable	1,685,351	1,475,166	1,565,665
18	Notes Receivable	-	-	-
19	Materials and Supplies	-	-	-
20	Prepayments	-	-	-
21	Other Current Assets	-	-	-
22	Total Current Assets	<u>\$ 1,717,011</u>	<u>\$ 1,534,035</u>	<u>\$ 1,707,111</u>
23				
24	Unamortized Debt Discount			
25	Other Deferred Debits			
26	Deferred Debits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
27				
28	Other Investments & Special Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
29				
30	TOTAL ASSETS	<u>\$ 6,780,226</u>	<u>\$ 6,885,719</u>	<u>\$ 6,964,533</u>
31				
32				
33	LIABILITIES AND STOCKHOLDERS' EQUITY			
34				
35	Member Equity	<u>\$ 2,326,064</u>	<u>\$ 2,476,587</u>	<u>\$ 2,700,384</u>
36				
37	Long-Term Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
38				
39	CURRENT LIABILITIES			
40	Accounts Payable	\$ (664)	\$ (246)	\$ (246)
41	Current Portion of Long-Term Debt	-	-	-
42	Payables to Associated Companies	492,077	373,211	143,209
43	Security Deposits	44,505	54,029	48,016
44	Customer Meter Deposits, Current	124,172	130,240	138,086
45	Accrued Taxes	1,117	989	1,033
46	Accrued Interest	-	-	-
47	Other Current Liabilities	770	331	-
48	Total Current Liabilities	<u>\$ 661,977</u>	<u>\$ 558,554</u>	<u>\$ 330,098</u>
49	DEFERRED CREDITS			
50	Customer Meter Deposits, less current	\$ -	\$ -	\$ -
51	Advances in Aid of Construction	3,611,056	3,657,763	3,729,551
52	Accumulated Deferred Income Taxes	-	-	-
53	Contributions In Aid of Construction	233,715	233,715	233,715
54	Accumulated Amortization	(52,586)	(40,900)	(29,215)
55	Total Deferred Credits	<u>\$ 3,792,185</u>	<u>\$ 3,850,578</u>	<u>\$ 3,934,051</u>
56				
57	Total Liabilities & Common Equity	<u>\$ 6,780,226</u>	<u>\$ 6,885,719</u>	<u>\$ 6,964,533</u>
58				
59				
60				

61 SUPPORTING SCHEDULES:
62

RECAP SCHEDULES:
A-3

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Comparative Income Statements

Exhibit
Schedule E-2
Page 1
Witness: Bourassa

Line No.		Test Year Ended 12/31/2013	Prior Year Ended 12/31/2012	Prior Year Ended 12/31/2011
1	Revenues			
2	Metered Water Revenues	\$ 359,204	\$ 301,854	\$ 433,949
3	Unmetered Water Revenues	-	-	-
4	Other Water Revenues	9,276	45,713	8,352
5	Total Revenues	\$ 368,480	\$ 347,567	\$ 442,301
6	Operating Expenses			
7	Salaries and Wages	\$ 45,670	\$ 57,688	\$ 58,770
8	Employee Pensions and Benefits	1,564	(1,349)	(1,707)
9	Purchased Water	-	-	-
10	Purchased Power	20,220	18,897	22,023
11	Chemicals	2,365	4,959	2,145
12	Repairs and Maintenance	37,989	31,393	39,701
13	Office Supplies and Expense	884	796	2,239
14	Contractual Services - Engineering	-	-	-
15	Contractual Services - Mgmt Fee	60,000	56,000	46,000
16	Contractual Services - Legal & Accounting	27,776	33,688	25,638
17	Contractual Services - Other	16,914	12,109	3,299
18	Contractual Services - Water Testing	1,378	1,458	865
19	Rents	-	-	-
20	Transportation Expenses	-	-	-
21	Insurance - Vehicle	-	-	-
22	Insurance - General Liability	11,438	8,834	11,005
23	Insurance - Worker's Comp	-	-	-
24	Regulatory Commission Expense	-	-	-
25	Regulatory Commission Expense - Rate Case	-	-	-
26	Bad Debt Expense	-	-	-
27	Miscellaneous Expense	15,637	21,020	13,904
28	Sales Tax Expense	23,977	22,667	27,884
29	Depreciation Expense	297,605	297,005	296,543
30	Taxes Other Than Income	3,458	4,499	4,632
31	Property Taxes	2,128	1,998	1,969
32	Income Tax	-	-	-
33		-	-	-
34		-	-	-
35	Total Operating Expenses	\$ 569,003	\$ 571,662	\$ 554,910
36	Operating Income	\$ (200,523)	\$ (224,095)	\$ (112,609)
37	Other Income (Expense)			
38	Interest Income	4,859	299	565
39	Other Income	-	-	-
40	Interest Expense	-	-	-
41	Other Expense	-	-	-
42	Gain (loss) on Disposal of Equip	-	-	-
43	Total Other Income (Expense)	\$ 4,859	\$ 299	\$ 565
44	Net Profit (Loss)	\$ (195,664)	\$ (223,796)	\$ (112,044)

SUPPORTING SCHEDULES:

RECAP SCHEDULES:
A-2

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Detail of Plant in Service

Exhibit
Schedule E-5
Page 1
Witness: Bourassa

Line	Acct.		Plant	Plant	Plant
No.	No.	Plant Description	Balance	Additions, Reclass- ifications or Retirements	Balance
			at		at
			12/31/2012		12/31/2013
1					
2	301	Organization Cost	\$ 54,297	\$ -	\$ 54,297
3	302	Franchise Cost	95,236	-	95,236
4	303	Land and Land Rights	32,810	-	32,810
5	304	Structures and Improvements	8,049	-	8,049
6	305	Collecting and Impounding Res.	-	-	-
7	306	Lake River and Other Intakes	-	-	-
8	307	Wells and Springs	691,317	-	691,317
9	308	Infiltration Galleries and Tunnels	-	-	-
10	309	Supply Mains	-	-	-
11	310	Power Generation Equipment	51,082	-	51,082
12	311	Electric Pumping Equipment	-	-	-
13	320	Water Treatment Equipment	573,066	-	573,066
14	320	Water Treatment Equipment	-	-	-
15	320.1	Water Treatment Plant	-	-	-
16	320.2	Chemical Solution Feeders	1,454,518	-	1,454,518
17	330	Dist. Reservoirs & Standpipe	-	-	-
18	330.1	Storage tanks	-	-	-
19	330.2	Pressure Tanks	2,343,549	-	2,343,549
20	333	Services	518,785	-	518,785
21	334	Meters	143,678	10,656	154,334
22	335	Hydrants	208,018	-	208,018
23	336	Backflow Prevention Devices	-	-	-
24	339	Other Plant and Miscellaneous Equipment	651	-	651
25	340	Office Furniture and Fixtures	5,752	-	5,752
26	340.1	Computer Software & Equipment	-	-	-
27	341	Transportation Equipment	8,224	-	8,224
28	342	Stores Equipment	3,836	-	3,836
29	343	Tools and Work Equipment	2,856	-	2,856
30	344	Laboratory Equipment	14,718	-	14,718
31	345	Power Operated Equipment	18,224	-	18,224
32	346	Communications Equipment	-	-	-
33	347	Miscellaneous Equipment	6,124	-	6,124
34	348	Other Tangible Plant	-	-	-
35					
36					
37		TOTAL WATER PLANT	\$ 6,234,790	\$ 10,656	\$ 6,245,446

SUPPORTING SCHEDULES

RECAP SCHEDULES:

A-4

E-1

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Operating Statistics

Exhibit
Schedule E-7
Page 1
Witness: Bouras

Line No.		Test Year Ended <u>12/31/2013</u>	Prior Year Ended <u>12/31/2012</u>	Prior Year Ended <u>12/31/2011</u>
1	<u>WATER STATISTICS:</u>			
2				
3				
4				
5	Total Gallons Sold (in Thousands)	52,647	45,527	54,238
6				
7				
8				
9	Water Revenues from Customers:	\$ 359,204	\$ 301,854	\$ 433,949
10				
11				
12				
13				
14	Year End Number of Customers	586	606	573
15				
16				
17	Annual Gallons (in Thousands)			
18	Sold Per Year End Customer	90	75	95
19				
20				
21				
22	Annual Revenue per Year End Customer	\$ 612.98	\$ 498.11	\$ 757.33
23				
24	Pumping Cost Per 1,000 Gallons	\$ 0.3841	\$ 0.4151	\$ 0.4060
25	Purchased Water Cost per 1,000 Gallons	\$ -	\$ -	\$ -

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Taxes Charged to Operations

Exhibit
Schedule E-8
Page 1
Witness: Bourassa

Line No.	Description	Test Year Ended 12/31/2013	Prior Year Ended 12/31/2012	Prior Year Ended 12/31/2011
1				
2				
3	State Income Taxes	\$ -	\$ -	\$ -
4	Federal Income Taxes	-	-	-
5	Payroll Taxes	3,458	4,499	4,632
6	Property Taxes	2,128	1,998	1,969
7				
8	Totals	<u>\$ 5,586</u>	<u>\$ 6,497</u>	<u>\$ 6,601</u>
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Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Notes To Financial Statements

Exhibit
Schedule E-9
Page 1
Witness: Bourassa

Line
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The Company does not conduct independent audits, reviews and/or compilations. Accordingly, there are no notes which are typically associated with these financial statements. Management makes the following notations to the financial statements contained herein:

Significant Accounting Policies - The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America and the accounting records of the are maintained in accordance with the uniform system of accounts as prescribed by the National Association of Regulatory Utility Commissioners (USOA 1996). Significant accounting policies are as follows:

Utility Plant - Property, plant and equipment is stated at cost less accumulated depreciation provided on a straight-line basis.

Depreciation rates for asset classes of utility property, plant and equipment are established by the Commission. The cost of additions, including betterments and replacements of units of utility fixed assets are charged to utility property, plant and equipment. When units of utility property are replaced, renewed or retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated depreciation.

Revenue Recognition - Revenues are recognized on the accrual method. Under this method, revenue is recognized when earned rather than when collected, and expenses are recognized when incurred rather than when paid.

Contributions in Aid of Construction - Contributions in aid of construction (CIAC) are nonrefundable contributions by developers and customers for plant expansion. In addition, this amount includes the remaining balance, if any, of advances in aid of construction at the end of the repayment period. The contributions in aid of construction are being amortized at a rate equal to the rate allowed for depreciation, as a reduction of depreciation expense

Advances in Aid of Construction - Customer advances for construction are subject to refund in accordance with agreements approved by the Arizona Corporation Commission. Agreements provide for refunds which are typically equal to 10 percent of annual water revenue generated from the expansion. The repayments are for a maximum agreed upon period or until repaid in full. Any balance remaining at the end of the agreed-upon period for repayment becomes a contribution in aid of construction.

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Projected Income Statements - Present & Proposed Rates

Exhibit
Schedule F-1
Page 1
Witness: Bourassa

Line No.		Test Year Actual Results	At Present Rates Year Ended 12/31/2014	At Proposed Rates Year Ended 12/31/2014
1	Revenues			
2	Metered Water Revenues	\$ 359,204	\$ 523,770	\$ 538,249
3	Unmetered Water Revenues	-	-	-
4	Other Water Revenues	9,276	9,276	9,276
5		<u>\$ 368,480</u>	<u>\$ 533,046</u>	<u>\$ 547,525</u>
6	Operating Expenses			
7	Salaries and Wages	\$ 45,670	\$ 45,670	\$ 45,670
8	Salaries and Wages - Officers and Directors	1,564	1,564	1,564
9	Employee Pensions and Benefits	-	-	-
10	Purchased Water	20,220	29,723	29,723
11	Purchased Power	2,365	2,365	2,365
12	Chemicals	37,989	37,989	37,989
13	Repairs and Maintenance	884	884	884
14	Office Supplies and Expense	-	-	-
15	Contractual Services - Engineering	60,000	60,000	60,000
16	Contractual Services - Accounting	27,776	27,776	27,776
17	Contractual Services - Legal	16,914	16,914	16,914
18	Contractual Services - Other	1,378	1,378	1,378
19	Contractual Services - Water Testing	-	-	-
20	Rents - Equipment	-	-	-
21	Transportation Expenses	-	-	-
22	Insurance - Vehicle	11,438	11,438	11,438
23	Insurance - General Liability	-	-	-
24	Insurance - Worker's Comp	-	-	-
25	Regulatory Commission Expense	-	5,000	5,000
26	Regulatory Commission Expense - Rate Case	-	-	-
27	Bad Debt Expense	15,637	13,358	13,358
28	Miscellaneous Expense	23,977	-	-
29	Depreciation Expense	297,605	132,265	132,265
30	Taxes Other Than Income	3,458	3,458	3,458
31	Property Taxes	2,128	26,568	26,809
32	Income Tax	-	-	-
33				
34	Total Operating Expenses	<u>\$ 569,003</u>	<u>\$ 416,350</u>	<u>\$ 416,591</u>
35	Operating Income	<u>\$ (200,523)</u>	<u>\$ 116,695</u>	<u>\$ 130,934</u>
36	Other Income (Expense)			
37	Interest Income	4,859	4,859	4,859
38	Other income	-	-	-
39	Interest Expense	-	-	-
40	Other Expense	-	-	-
41	Gain/Loss Sale of Fixed Assets	-	-	-
42	Total Other Income (Expense)	<u>\$ 4,859</u>	<u>\$ 4,859</u>	<u>\$ 4,859</u>
43	Net Profit (Loss)	<u><u>\$ (195,664)</u></u>	<u><u>\$ 121,554</u></u>	<u><u>\$ 135,793</u></u>

SUPPORTING SCHEDULES:

C-1

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Projected Statements of Changes in Financial Position
Present and Proposed Rates

Exhibit
Schedule F-2
Page 1
Witness: Bourassa

Line No.		Test Year Ended 12/31/2013	At Present Rates Year Ended 12/31/2014	At Proposed Rates Year Ended 12/31/2014
5	Cash Flows from Operating Activities			
6	Net Income	\$ (195,664)	\$ 121,554	\$ 135,793
7	Adjustments to reconcile net income to net cash provided by operating activities:			
9	Depreciation and Amortization	297,605	297,005	296,543
10	Depreciation Adjustments	-		
11	Changes in Certain Assets and Liabilities:			
12	Accounts Receivable	(11,313)		
13	Unbilled Revenues	-		
14	Materials and Supplies Inventory	-		
15	Prepaid Expenses	-		
16	Security Deposits	(9,524)		
17	Notes Receivable	(210,185)		
18	Accounts Payable	(418)		
19	Intercompany payable	118,866		
20	Customer Meter Deposits	(6,068)		
21	Taxes Payable	128		
22	Other assets and liabilities	439		
23	Net Cash Flow provided by Operating Activities	\$ (16,134)	\$ 418,559	\$ 432,336
24	Cash Flow From Investing Activities:			
25	Capital Expenditures	(20,822)	(40,000)	(40,000)
26	Plant Held for Future Use	-		
27	Changes in debt reserve fund	-		
28	Net Cash Flows from Investing Activities	\$ (20,822)	\$ (40,000)	\$ (40,000)
29	Cash Flow From Financing Activities			
30	Change in Restricted Cash	-		
31	Change in net amounts due to parent and affiliates	-		
32	Net Receipt contributions in aid of construction	-	-	-
33	Net receipts of advances in aid of construction	(46,707)	(46,707)	(46,707)
34	Repayments of Long-Term Debt	-	-	-
35	Dividends Paid	-	-	-
36	Deferred Financing Costs	-	-	-
37	Paid in Capital	45,141	-	-
38	Net Cash Flows Provided by Financing Activities	\$ (1,566)	\$ (46,707)	\$ (46,707)
39	Increase(decrease) in Cash and Cash Equivalents	(38,522)	331,852	345,629
40	Cash and Cash Equivalents at Beginning of Year	41,559	3,037	3,037
41	Cash and Cash Equivalents at End of Year	\$ 3,037	\$ 334,889	\$ 348,666

SUPPORTING SCHEDULES:

E-3

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Projected Construction Requirements

Exhibit
Schedule F-3
Page 1
Witness: Bourassa

Line				
No.				
1				
2	Account			
3	Number	Plant Asset:	Test Year	2014
4	301	Organization Cost	\$ -	
5	302	Franchise Cost	-	
6	303	Land and Land Rights	-	
7	304	Structures and Improvements	-	
8	305	Collecting and Impounding Res.	-	
9	306	Lake River and Other Intakes	-	
10	307	Wells and Springs	-	
11	308	Infiltration Galleries and Tunnels	-	
12	309	Supply Mains	-	
13	310	Power Generation Equipment	-	
14	311	Electric Pumping Equipment	-	20,000
15	320	Water Treatment Equipment	-	
16	320	Water Treatment Equipment	-	
17	320.1	Water Treatment Plant	-	
18	320.2	Chemical Solution Feeders	-	
19	330	Dist. Reservoirs & Standpipe	-	
20	330.1	Storage tanks	-	
21	330.2	Pressure Tanks	-	
22	333	Services	-	
23	334	Meters	10,656	10,000
24	335	Hydrants	-	
25	336	Backflow Prevention Devices	-	
26	339	Other Plant and Miscellaneous Equipment	-	
27	340	Office Furniture and Fixtures	-	
28	341	Transportation Equipment	-	
29	342	Stores Equipment	-	
30	343	Tools and Work Equipment	-	
31	344	Laboratory Equipment	-	
32	345	Power Operated Equipment	-	
33	346	Communications Equipment	-	10,000
34	347	Miscellaneous Equipment	-	
35	348	Other Tangible Plant	-	
36				
37	Total		\$ 10,656	\$ 40,000
38				
39				
40				

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Assumptions Used in Rate Filing

Exhibit
Schedule F-4
Page 1
Witness: Bourassa

Line

No.

- 1 Property Taxes were computed using the method used by the Arizona Department
- 2 of Revenue modified for ratemaking.
- 3
- 4 Projected construction expenditures are shown on Schedule A-4.
- 5
- 6 Expense adjustments are shown on Schedule C2, and are explained in the testimony.
- 7
- 8
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Red Rock Utilities, LLC - Water Division
Revenue Summary
Test Year Ended December 31, 2013

Exhibit
Schedule H-1
Page 1
Witness: Bourassa

Line No.	Meter Size	Classification	Total Revenues at Present Rates	Total Revenues at Proposed Rates	Dollar Change	Percent Change	Percent of Present Water Revenues	Percent of Proposed Water Revenues
1	5/8x3/4 Inch	Residential	\$ 268,205	\$ 273,676	\$ 5,471	2.04%	50.32%	49.98%
2								
3	5/8x3/4 Inch	Commercial	742	749	7	0.96%	0.14%	0.14%
4	2 Inch	Commercial	11,929	12,566	636	5.33%	2.24%	2.30%
5								
6	1 Inch	Irrigation	7,206	7,617	411	5.70%	1.35%	1.39%
7	2 Inch	Irrigation	5,201	5,445	244	4.69%	0.98%	0.99%
8								
9		Bulk	31,242	34,017	2,775	8.88%	5.86%	6.21%
10		Hydrant(standpipe)	19,341	21,076	1,736	8.97%	3.63%	3.85%
11								
12		Subtotals of Revenues	\$ 343,866	\$ 355,145	\$ 11,280	3.28%	64.51%	64.86%
13		Revenue Annualizations:						
14								
15		Revenues from Projected Growth	\$ 179,937	\$ 182,522	\$ 2,585	1.44%	33.76%	33.34%
16		(See Adjustment #4 on C-2, page 5)						
17								
18								
19								
20		Subtotal Revenue Annualization	179,937	182,522	2,585	1.44%	33.76%	34.24%
21								
22		Total Revenues w/ Annualization	\$ 523,802	\$ 537,668	\$ 13,865	2.65%	98.27%	98.20%
23		Misc Revenues	9,276	9,276	-	0.00%	1.74%	1.69%
24		Reconciling Amount	(33)	582	615	-1863.64%	-0.01%	0.11%
25		Total Revenues	\$ 533,045	\$ 547,526	\$ 14,480	2.72%	100.00%	100.00%
26								
27								
28		Reconciliation to GL Revenues						
29		Metered Revenues Per GL	\$ 359,204					
30		Revenue Accruals	(15,371)					
31								
32		Adjusted Metered Revenues per GL	\$ 343,833					
33								
34		Bill Count Rev. before Annualization	343,866					
35		Difference	(33)					
36		% Difference	-0.01%					
37		Tolerance (+/- 0.5%)	\$ 1,719					
38		Acceptable	Yes					
39								
40								

Red Rock Utilities, LLC - Water Division
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2013

Exhibit
 Schedule H-2
 Page 1
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2013	Average Consumption	Average Bill		Proposed Increase		Percent of Customers
				Present Rates	Proposed Rates	Dollar Amount	Percent Amount	
1	5/8x3/4 Inch Residential	575	5,155	\$ 37.49	\$ 38.03	\$ 0.54	1.44%	97.62%
2								
3	5/8x3/4 Inch Commercial	2	2,313	30.55	30.78	0.23	0.76%	0.34%
4	2 Inch Commercial	2	77,027	496.65	523.11	26.46	5.33%	0.34%
5								
6	1 Inch Irrigation	3	31,892	171.88	181.04	9.16	5.33%	0.57%
7	2 Inch Irrigation	1	63,551	432.85	453.09	20.24	4.68%	0.17%
8								
9								
10	Bulk	5	138,618	525.61	572.13	46.52	8.85%	0.84%
11	Hydrant(standpipe)	1	551,013	2,148.95	2,341.80	192.85	8.97%	0.13%
12								
13								
14								
15								
16								
17	Totals	589						
18								
19	Actual Year End Number of Customers:	586						
20								
21								
22								
23								
24								

100.00%

Red Rock Utilities, LLC - Water Division
 Analysis of Revenue by Detailed Class
 Test Year Ended December 31, 2013

Exhibit
 Schedule H-2
 Page 2
 Witness: Bourassa

Line No.	Customer Classification and/or Meter Size	(a) Average Number of Customers at 12/31/2013	Median Consumption	Median Bill		Proposed Increase		Percent of Customers
				Present Rates	Proposed Rates	Dollar Amount	Percent Amount	
1	5/8x3/4 Inch Residential	575	4,500 \$	35.80 \$	36.25 \$	0.45 \$	1.26%	97.95%
2								
3	5/8x3/4 Inch Commercial	-	2,000	29.80	30.00	0.20	0.67%	0.00%
4	2 Inch Commercial	2	23,750	288.88	296.69	7.81	2.70%	0.34%
5								
6	1 Inch Irrigation	3	4,500 \$	76.68 \$	77.80 \$	1.13 \$	1.47%	0.57%
7	2 Inch Irrigation	1	40,000 \$	341.00 \$	353.00	12.00	3.52%	0.17%
8								
9	Bulk	5	122,051 \$	461.00 \$	501.72	40.72	8.83%	0.84%
10	Hydrant(standpipe)	1	317,448 \$	1,238.05 \$	1,349.15	111.11	8.97%	0.13%
11								
12								
13								
14								
15	Totals	587						100.00%
16								
17	Actual Year End Number of Customers:	586						
18								
19								
20								
21								
22								

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Present and Proposed Rates

Exhibit
Schedule H-3
Page 1

Line No.	Monthly Usage Charge for: Meter Size (All Classes, except Standpipe/Bulk):	Present Rates	Proposed Rates	Change	Percent Change
1	5/8x3/4 Inch	\$ 25.00	\$ 25.00	\$ -	0.00%
2	3/4 Inch	37.50	37.50	-	0.00%
3	1 Inch	62.50	62.50	-	0.00%
4	1 1/2 Inch	125.00	125.00	-	0.00%
5	2 Inch	200.00	200.00	-	0.00%
6	3 Inch	375.00	400.00	25.00	6.67%
7	4 Inch	625.00	625.00	-	0.00%
8	6 Inch	1,250.00	1,250.00	-	0.00%
9					
10					
11					
12	Gallons In Minimum (All Classes, except irrigation)	-	-	-	
13					
14					
15					
16					
17					
18	<u>Commodity Rates</u>				
19					
20	5/8x3/4 Inch - All Classes, Except Irrigation				
21					
22					
23					
24	3/4 Inch and Larger - All Classes, Except Irrigation				
25					
26					
27					
28	Irrigation - All Meter Sizes				
29					
30					
31	Standpipe/Bulk				
32					
33					
34					
35					
36					
37					
38					
39	NT = No Tariff				
40					

(Per 1,000 gallons)			
Block	Present Rate	Proposed Rate	
1 gallons to 5,000 gallons	\$ 2.40	\$ 2.50	
5,001 gallons to 10,000 gallons	\$ 3.15	\$ 3.40	
over 10,000 gallons	\$ 3.90	\$ 4.25	
1 gallons to 5,000 gallons	\$ 3.15	\$ 3.40	
over 5,000 gallons	\$ 3.90	\$ 4.25	
Over Minimum up to 20,000 gallons	\$ 3.15	\$ 3.40	
Over 20,000 gallons	\$ 3.90	\$ 4.25	
All gallons	\$ 4.25	\$ 4.25	

Red Rock Utilities, LLC - Water Division
Present and Proposed Rates
Test Year Ended December 31, 2013

Line No.	Meter and Service Line Charges ¹	Present Service Line Charge	Present Meter Install- ation Charge	Total Present Charge	Proposed Service Line Charge	Proposed Meter Install- ation Charge	Total Proposed Charge
7	5/8 x 3/4 Inch			\$ 400.00			\$ 400.00
8	3/4 Inch			440.00			440.00
9	1 Inch			500.00			500.00
10	1 1/2 Inch			715.00			715.00
11	2 Inch Turbo			1,170.00			1,170.00
12	2 Inch, Compound			1,700.00			1,700.00
13	3 Inch Turbo			1,585.00			1,585.00
14	3 Inch, compound			2,190.00			2,190.00
15	4 Inch Turbo			2,540.00			2,540.00
16	4 Inch, compound			3,215.00			3,215.00
17	6 Inch Turbo			4,815.00			4,815.00
18	6 Inch, compound			6,270.00			6,270.00

¹ Based on ACC Staff Engineering Memo dated February 21, 2008

NT = No Tariff

Other Charges:

Establishment	\$ 25.00
Re-establishment (after hours)	\$ 50.00
Re-establishment (within 12 months)	*
Reconnection (Delinquent)	\$ 30.00
Meter Test (if correct)	NT
Meter Re-read (if correct) per R-14-2-403	\$ 15.00
Minimum Deposit	**
Deposit Interest	**
NSF Check	\$ 25.00
Deferred Payment, per month	1.5%
Late Payment Charge (per month)	1.5%
After hours service charge, per hour***	\$ 50.00
Charge for moving meter at customer request	Cost

	\$ 25.00
	\$ 50.00
	*
	\$ 30.00
	\$ 30.00
	\$ 15.00
	**
	**
	\$ 25.00
	1.5%
	1.5%
	\$ 50.00
	Cost

* Number of months off the system times the monthly minimum. Per Commission rule A.A.C. R-14-2-403(D)

** Per Rule R14-2-403.B

*** Applies to all service provided after hours and at customer request for after hours service.

NT = No Tariff

Red Rock Utilities, LLC - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Residential 5/8x3/4 Inch Meter
 Test Year Ended December 31, 2013
 (Excludes all Revenue Related Taxes)

Exhibit
 Schedule H-4
 Page 1
 Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
\$	25.00	\$ 25.00	\$ -	0.00%
1,000	27.40	27.50	0.10	0.36%
2,000	29.80	30.00	0.20	0.67%
3,000	32.20	32.50	0.30	0.93%
4,000	34.60	35.00	0.40	1.16%
5,000	37.00	37.50	0.50	1.35%
6,000	40.15	40.90	0.75	1.87%
7,000	43.30	44.30	1.00	2.31%
8,000	46.45	47.70	1.25	2.69%
9,000	49.60	51.10	1.50	3.02%
10,000	52.75	54.50	1.75	3.32%
12,000	60.55	63.00	2.45	4.05%
14,000	68.35	71.50	3.15	4.61%
16,000	76.15	80.00	3.85	5.06%
18,000	83.95	88.50	4.55	5.42%
20,000	91.75	97.00	5.25	5.72%
25,000	111.25	118.25	7.00	6.29%
30,000	130.75	139.50	8.75	6.69%
35,000	150.25	160.75	10.50	6.99%
40,000	169.75	182.00	12.25	7.22%
45,000	189.25	203.25	14.00	7.40%
50,000	208.75	224.50	15.75	7.54%
60,000	247.75	267.00	19.25	7.77%
70,000	286.75	309.50	22.75	7.93%
80,000	325.75	352.00	26.25	8.06%
90,000	364.75	394.50	29.75	8.16%
100,000	403.75	437.00	33.25	8.24%

Present Rates:
 Monthly Minimum: \$ 25.00
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 5,000 \$ 2.40
 Up to 10,000 \$ 3.15
 Over 10,000 \$ 3.90

Proposed Rates:
 Monthly Minimum: \$ 25.00
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 5,000 \$ 2.50
 Up to 10,000 \$ 3.40
 Over 10,000 \$ 4.25

Average Usage	37.49	\$ 38.03	\$ 0.54	1.44%
5,155 \$				
Median Usage	35.80	\$ 36.25	\$ 0.45	1.26%
4,500 \$				

Red Rock Utilities, LLC - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commercial 5/8x3/4 Inch Meter
 Test Year Ended December 31, 2013
 (Excludes all Revenue Related Taxes)

Exhibit
 Schedule H-4
 Page 1
 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 25.00	\$ 25.00	\$ -	0.00%
1,000	27.40	27.50	0.10	0.36%
2,000	29.80	30.00	0.20	0.67%
3,000	32.20	32.50	0.30	0.93%
4,000	34.60	35.00	0.40	1.16%
5,000	37.00	37.50	0.50	1.35%
6,000	40.15	40.90	0.75	1.87%
7,000	43.30	44.30	1.00	2.31%
8,000	46.45	47.70	1.25	2.69%
9,000	49.60	51.10	1.50	3.02%
10,000	52.75	54.50	1.75	3.32%
12,000	60.55	63.00	2.45	4.05%
14,000	68.35	71.50	3.15	4.61%
16,000	76.15	80.00	3.85	5.06%
18,000	83.95	88.50	4.55	5.42%
20,000	91.75	97.00	5.25	5.72%
25,000	111.25	118.25	7.00	6.29%
30,000	130.75	139.50	8.75	6.69%
35,000	150.25	160.75	10.50	6.99%
40,000	169.75	182.00	12.25	7.22%
45,000	189.25	203.25	14.00	7.40%
50,000	208.75	224.50	15.75	7.54%
60,000	247.75	267.00	19.25	7.77%
70,000	286.75	309.50	22.75	7.93%
80,000	325.75	352.00	26.25	8.06%
90,000	364.75	394.50	29.75	8.16%
100,000	403.75	437.00	33.25	8.24%

Average Usage

Average Usage				
2,313	\$ 30.55	\$ 30.78	\$ 0.23	0.76%
Median Usage				
2,000	\$ 29.80	\$ 30.00	\$ 0.20	0.67%

Present Rates:			
Monthly Minimum:	\$	25.00	
Gallons in Minimum		-	
Charge Per 1,000 Gallons			
Up to 5,000	\$	2.40	
Up to 10,000	\$	3.15	
Over 10,000	\$	3.90	
Proposed Rates:			
Monthly Minimum:	\$	25.00	
Gallons in Minimum		-	
Charge Per 1,000 Gallons			
Up to 5,000	\$	2.50	
Up to 10,000	\$	3.40	
Over 10,000	\$	4.25	

Red Rock Utilities, LLC - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Commercial 2 Inch Meter
 Test Year Ended December 31, 2013

Exhibit
 Schedule H-4
 Page 3
 Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 200.00	\$ 200.00	\$ -	0.00%
1,000	203.15	203.40	\$ 0.25	0.12%
2,000	206.30	206.80	\$ 0.50	0.24%
3,000	209.45	210.20	\$ 0.75	0.36%
4,000	212.60	213.60	\$ 1.00	0.47%
5,000	215.75	217.00	\$ 1.25	0.58%
6,000	219.65	221.25	\$ 1.60	0.73%
7,000	223.55	225.50	\$ 1.95	0.87%
8,000	227.45	229.75	\$ 2.30	1.01%
9,000	231.35	234.00	\$ 2.65	1.15%
10,000	235.25	238.25	\$ 3.00	1.28%
12,000	243.05	246.75	\$ 3.70	1.52%
14,000	250.85	255.25	\$ 4.40	1.75%
16,000	258.65	263.75	\$ 5.10	1.97%
18,000	266.45	272.25	\$ 5.80	2.18%
20,000	274.25	280.75	\$ 6.50	2.37%
25,000	293.75	302.00	\$ 8.25	2.81%
30,000	313.25	323.25	\$ 10.00	3.19%
35,000	332.75	344.50	\$ 11.75	3.53%
40,000	352.25	365.75	\$ 13.50	3.83%
45,000	371.75	387.00	\$ 15.25	4.10%
50,000	391.25	408.25	\$ 17.00	4.35%
60,000	430.25	450.75	\$ 20.50	4.76%
70,000	469.25	493.25	\$ 24.00	5.11%
80,000	508.25	535.75	\$ 27.50	5.41%
90,000	547.25	578.25	\$ 31.00	5.66%
100,000	586.25	620.75	\$ 34.50	5.88%
Present Rates:				
Monthly Minimum:				
Gallons in Minimum				
Charge Per 1,000 Gallons				
Up to 5,000				\$ 3.15
Over 5,000				\$ 3.90
Proposed Rates:				
Monthly Minimum:				
Gallons in Minimum				
Charge Per 1,000 Gallons				
Up to 5,000				\$ 3.40
Over 5,000				\$ 4.25

Present Rates:
 Monthly Minimum: \$ 200.00
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 5,000 \$ 3.15
 Over 5,000 \$ 3.90

Proposed Rates:
 Monthly Minimum: \$ 200.00
 Gallons in Minimum -
 Charge Per 1,000 Gallons
 Up to 5,000 \$ 3.40
 Over 5,000 \$ 4.25

Red Rock Utilities, LLC - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Irrigation 1 Inch
 Test Year Ended December 31, 2013
 (Excludes all Revenue Related Taxes)

Exhibit
 Schedule H-4
 Page 1
 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
\$	\$ 62.50	\$ 62.50	\$ -	0.00%
1,000	65.65	65.90	0.25	0.38%
2,000	68.80	69.30	0.50	0.73%
3,000	71.95	72.70	0.75	1.04%
4,000	75.10	76.10	1.00	1.33%
5,000	78.25	79.50	1.25	1.60%
6,000	81.40	82.90	1.50	1.84%
7,000	84.55	86.30	1.75	2.07%
8,000	87.70	89.70	2.00	2.28%
9,000	90.85	93.10	2.25	2.48%
10,000	94.00	96.50	2.50	2.66%
12,000	100.30	103.30	3.00	2.99%
14,000	106.60	110.10	3.50	3.28%
16,000	112.90	116.90	4.00	3.54%
18,000	119.20	123.70	4.50	3.78%
20,000	125.50	130.50	5.00	3.98%
25,000	145.00	151.75	6.75	4.66%
30,000	164.50	173.00	8.50	5.17%
35,000	184.00	194.25	10.25	5.57%
40,000	203.50	215.50	12.00	5.90%
45,000	223.00	236.75	13.75	6.17%
50,000	242.50	258.00	15.50	6.39%
60,000	281.50	300.50	19.00	6.75%
70,000	320.50	343.00	22.50	7.02%
80,000	359.50	385.50	26.00	7.23%
90,000	398.50	428.00	29.50	7.40%
100,000	437.50	470.50	33.00	7.54%
Average Usage				
31,892	\$ 171.88	\$ 181.04	\$ 9.16	5.33%
Median Usage				
4,500	\$ 76.68	\$ 77.80	\$ 1.13	1.47%

Present Rates:
 Monthly Minimum:
 Gallons in Minimum
 Charge Per 1,000 Gallons
 Up to 20,000 \$ 3.15
 Over 20,000 \$ 3.90

Proposed Rates:
 Monthly Minimum:
 Gallons in Minimum
 Charge Per 1,000 Gallons
 Up to 20,000 \$ 3.40
 Over 20,000 \$ 4.25

Red Rock Utilities, LLC - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Irrigation 2 Inch
 Test Year Ended December 31, 2013
 (Excludes all Revenue Related Taxes)

Exhibit
 Schedule H-4
 Page 5
 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ 200.00	\$ 200.00	\$ -	0.00%
1,000	203.15	203.40	\$ 0.25	0.12%
2,000	206.30	206.80	\$ 0.50	0.24%
3,000	209.45	210.20	\$ 0.75	0.36%
4,000	212.60	213.60	\$ 1.00	0.47%
5,000	215.75	217.00	\$ 1.25	0.58%
6,000	218.90	220.40	\$ 1.50	0.69%
7,000	222.05	223.80	\$ 1.75	0.79%
8,000	225.20	227.20	\$ 2.00	0.89%
9,000	228.35	230.60	\$ 2.25	0.99%
10,000	231.50	234.00	\$ 2.50	1.08%
12,000	237.80	240.80	\$ 3.00	1.26%
14,000	244.10	247.60	\$ 3.50	1.43%
16,000	250.40	254.40	\$ 4.00	1.60%
18,000	256.70	261.20	\$ 4.50	1.75%
20,000	263.00	268.00	\$ 5.00	1.90%
25,000	282.50	289.25	\$ 6.75	2.39%
30,000	302.00	310.50	\$ 8.50	2.81%
35,000	321.50	331.75	\$ 10.25	3.19%
40,000	341.00	353.00	\$ 12.00	3.52%
45,000	360.50	374.25	\$ 13.75	3.81%
50,000	380.00	395.50	\$ 15.50	4.08%
60,000	419.00	438.00	\$ 19.00	4.53%
70,000	458.00	480.50	\$ 22.50	4.91%
80,000	497.00	523.00	\$ 26.00	5.23%
90,000	536.00	565.50	\$ 29.50	5.50%
100,000	575.00	608.00	\$ 33.00	5.74%
Average Usage				
63,551	\$ 432.85	\$ 453.09	\$ 20.24	4.68%
Median Usage				
40,000	\$ 341.00	\$ 353.00	\$ 12.00	3.52%

Present Rates:
 Monthly Minimum: \$ 200.00
 Gallons in Minimum
 Charge Per 1,000 Gallons
 Up to 20,000 \$ 3.15
 Over 20,000 \$ 3.90

Proposed Rates:
 Monthly Minimum: \$ 200.00
 Gallons in Minimum
 Charge Per 1,000 Gallons
 Up to 20,000 \$ 3.40
 Over 20,000 \$ 4.25

Red Rock Utilities, LLC - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Hydrant
 Test Year Ended December 31, 2013
 (Excludes all Revenue Related Taxes)

Exhibit
 Schedule H-4
 Page 6
 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
-	\$ -	\$ -	\$ -	0.00%
1,000	3.90	4.25	0.35	8.97%
2,000	7.80	8.50	0.70	8.97%
3,000	11.70	12.75	1.05	8.97%
4,000	15.60	17.00	1.40	8.97%
5,000	19.50	21.25	1.75	8.97%
6,000	23.40	25.50	2.10	8.97%
7,000	27.30	29.75	2.45	8.97%
8,000	31.20	34.00	2.80	8.97%
9,000	35.10	38.25	3.15	8.97%
10,000	39.00	42.50	3.50	8.97%
12,000	46.80	51.00	4.20	8.97%
14,000	54.60	59.50	4.90	8.97%
16,000	62.40	68.00	5.60	8.97%
18,000	70.20	76.50	6.30	8.97%
20,000	78.00	85.00	7.00	8.97%
25,000	97.50	106.25	8.75	8.97%
30,000	117.00	127.50	10.50	8.97%
35,000	136.50	148.75	12.25	8.97%
40,000	156.00	170.00	14.00	8.97%
45,000	175.50	191.25	15.75	8.97%
50,000	195.00	212.50	17.50	8.97%
60,000	234.00	255.00	21.00	8.97%
70,000	273.00	297.50	24.50	8.97%
80,000	312.00	340.00	28.00	8.97%
90,000	351.00	382.50	31.50	8.97%
100,000	390.00	425.00	35.00	8.97%
Average Usage				
551,013	\$ 2,148.95	\$ 2,341.80	\$ 192.85	8.97%
Median Usage				
317,448	\$ 1,238.05	\$ 1,349.15	\$ 111.11	8.97%

Present Rates:
 Monthly Minimum: \$ -
 Gallons in Minimum: -
 Charge Per 1,000 Gallons: 3.90
 All Gallons: \$ 3.90

Proposed Rates:
 Monthly Minimum: \$ -
 Gallons in Minimum: -
 Charge Per 1,000 Gallons: 4.25
 All Gallons: \$ 4.25

Red Rock Utilities, LLC - Water Division
 Bill Comparison of Present and Proposed Rates
 Customer Classification Bulk Water
 Test Year Ended December 31, 2013

Exhibit
 Schedule H-4
 Page 7
 Witness: Bourassa

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase #DIV/0!
10,000	31.50	34.00	2.50	7.94%
20,000	63.00	68.00	5.00	7.94%
30,000	102.00	110.50	8.50	8.33%
40,000	141.00	153.00	12.00	8.51%
50,000	180.00	195.50	15.50	8.61%
100,000	375.00	408.00	33.00	8.80%
150,000	570.00	620.50	50.50	8.86%
200,000	765.00	833.00	68.00	8.89%
250,000	960.00	1,045.50	85.50	8.91%
300,000	1,155.00	1,258.00	103.00	8.92%
350,000	1,350.00	1,470.50	120.50	8.93%
400,000	1,545.00	1,683.00	138.00	8.93%
450,000	1,740.00	1,895.50	155.50	8.94%
500,000	1,935.00	2,108.00	173.00	8.94%
1,000,000	3,885.00	4,233.00	348.00	8.96%
1,500,000	5,835.00	6,358.00	523.00	8.96%
2,000,000	7,785.00	8,483.00	698.00	8.97%
2,500,000	9,735.00	10,608.00	873.00	8.97%
3,000,000	11,685.00	12,733.00	1,048.00	8.97%
3,500,000	13,635.00	14,858.00	1,223.00	8.97%
4,000,000	15,585.00	16,983.00	1,398.00	8.97%
4,500,000	17,535.00	19,108.00	1,573.00	8.97%
5,000,000	19,485.00	21,233.00	1,748.00	8.97%
10,000,000	38,985.00	42,483.00	3,498.00	8.97%
15,000,000	58,485.00	63,733.00	5,248.00	8.97%
20,000,000	77,985.00	84,983.00	6,998.00	8.97%
Average Usage	138,618	525.61	572.13	46.52
Median Usage	122,051	461.00	501.72	40.72

Present Rates:
 Monthly Minimum: \$ -
 Gallons in Minimum -
 Charge Per 1,000 Gallons 3.15
 Up to 20,000 \$ 3.15
 Over 20,000 \$ 3.90

Proposed Rates:
 Monthly Minimum: \$ -
 Gallons in Minimum -
 Charge Per 1,000 Gallons 3.40
 Up to 20,000 \$ 3.40
 Over 20,000 \$ 4.25

Exhibit
Schedule H-5
Page 1
Witness: Bourassa

Test Year Ended December 31, 2013

Customer Classification Residential 5/8x3/4 Inch Meter

Page 1
Witness: Bourassa[illegible]

Totals	564	558	586	563	566	561	578	573	580	584	632	572	6,897
	Average Usage												
	Median Usage												
	Average # Customers												
	Change in Number of Customers												
	8												

Customer Classification Commercial 5/8x3/4 Inch Meter

Exhibit
Schedule H-5
Page 2
Witness: Bourassa

[illegible][illegible]

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Customer Classification Commercial 2 Inch Meter

[illegible]

Red Rock Utilities, LLC - Water Division
Test Year Ended December 31, 2013
Customer Classification Irrigation 1 Inch

[illegible]

Exhibit
Schedule H-5
Page 5
Witness: Bourassa

Usage From:	Usage To:	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
-	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,001	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2,001	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3,001	4,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4,001	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5,001	6,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6,001	7,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7,001	8,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8,001	9,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9,001	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10,001	12,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12,001	14,000	1	-	-	-	-	-	-	-	-	-	-	-	1	1	13
14,001	16,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1	13
16,001	18,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1	13
18,001	20,000	1	-	1	-	-	-	-	-	-	-	-	-	2	3	51
20,001	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	3	51
25,001	30,000	-	-	-	-	-	-	-	-	-	-	-	-	1	4	79
30,001	35,000	-	-	-	-	-	-	1	-	-	-	-	-	1	5	111
35,001	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	111
40,001	45,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5	111
45,001	50,000	-	-	-	-	-	1	-	-	-	-	-	-	1	6	159
50,001	60,000	-	-	-	1	-	-	-	-	-	-	-	-	1	7	214
60,001	70,000	-	-	-	-	-	-	-	-	-	-	1	-	2	9	344
70,001	80,000	-	-	-	-	-	-	-	-	1	-	-	-	1	10	419
80,001	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	10	419
90,001	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	10	419
211,657	211,657	-	-	-	-	-	-	1	-	-	-	-	-	1	11	630
132,454	132,454	-	-	-	-	-	-	-	1	-	-	-	-	-	12	763

[illegible]

Exhibit
Schedule H-5
Page 6
Witness: Bourassa

[illegible]

Totals

Red Rock Utilities, LLC - Water Division
 Test Year Ended December 31, 2013
 Customer Classification Bulk Water

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
1,001	2,000	5											2	7	7	11
2,001	3,000				3									3	10	18
3,001	4,000			2									1	3	13	29
4,001	5,000												2	2	15	38
5,001	6,000														15	38
6,001	7,000														15	38
7,001	8,000			1									1	2	17	53
8,001	9,000														17	53
9,001	10,000														17	53
10,001	12,000														17	53
12,001	14,000														17	53
14,001	16,000														17	53
16,001	18,000														17	53
18,001	20,000														17	53
20,001	25,000					1									17	53
25,001	30,000														17	53
30,001	35,000					1								1	18	75
35,001	40,000													2	20	140
40,001	45,000														20	140
45,001	50,000														20	140
50,001	60,000					2								2	22	235
60,001	70,000								1					1	23	290
70,001	80,000					1					2			5	28	615
80,001	90,000														28	615
90,001	100,000														28	615
100,001	122,051													3	31	981
122,051	106,648					1				1				1	32	1,088
173,464	173,464													1	33	1,261
740,780	740,780													1	34	2,002
149,788	149,788													1	35	2,152
101,796	101,796													1	36	2,254
577,083	577,083													1	37	2,831
145,677	145,677													1	38	2,976
572,506	572,506													1	39	3,549
174,765	174,765													1	40	3,724
110,693	110,693													1	41	3,834
129,976	129,976													1	42	3,964
326,008	326,008													1	43	4,290
118,767	118,767													1	44	4,409
468,231	468,231													1	45	4,877
127,248	127,248													1	46	5,005
125,384	125,384													1	47	5,130
549,614	549,614													1	48	5,680
173,034	173,034													1	49	5,853
609,172	609,172													1	50	6,462
173,420	173,420													1	51	6,635
135,391	135,391													1	52	6,771
463,100	463,100													1	53	7,234
211,000	211,000													1	54	7,445
119,300	119,300													1	55	7,564

Red Rock Utilities, LLC - Water Division
 Test Year Ended December 31, 2013
 Customer Classification Bulk Water

Exhibit
 Schedule H-5
 Page 7
 Witness: Bourassa

Usage From:	Usage To:	Month of Jan	Month of Feb	Month of Mar	Month of Apr	Month of May	Month of Jun	Month of Jul	Month of Aug	Month of Sep	Month of Oct	Month of Nov	Month of Dec	Total Year	Cumulative Billing	Cumulative Gals (1,000s)
139,260	139,260	-	-	-	-	-	-	-	-	-	1	-	-	1	56	7,703
205,165	205,165	-	-	-	-	-	-	-	-	-	1	-	-	1	57	7,908
270,010	270,010	-	-	-	-	-	-	-	-	-	-	1	-	1	58	8,178
-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	59	8,178
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59	8,178
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59	8,178
Totals		5	-	-	6	6	6	6	6	6	6	6	6	59		
															Average Usage	138,618
															Median Usage	122,051
															Average # Customers	5
															Change in Number of Customers	1

Red Rock Utilities, LLC
Docket No: WS-04245A-14-_____

August 4, 2014

**WASTEWATER DIVISION
SCHEDULES**

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Computation of Increase in Gross Revenue
Requirements As Adjusted

Exhibit
Schedule A-1
Page 1
Witness: Bourassa

Line
No.

1	Fair Value Rate Base	\$	936,312
2			
3	Adjusted Operating Income		(262,075)
4			
5	Current Rate of Return		-27.99%
6			
7	Required Operating Income	\$	88,950
8			
9	Required Rate of Return		9.50%
10			
11	Operating Income Deficiency	\$	351,024
12			
13	Gross Revenue Conversion Factor		1.0169
14			
15	Increase in Gross Revenue		
16	Requirement	\$	356,955
17			
18	Adjusted Test Year Revenues	\$	477,549
19	Increase in Gross Revenue Revenue Requirement	\$	356,955
20	Proposed Revenue Requirement	\$	834,504
21	% Increase		74.75%
22			
23			
24			

Customer Classification	Present Rates	Proposed Rates	Dollar Increase	Percent Increase
<u>(Residential Commercial, Irrigation)</u>				
5/8x3/4 Inch Residential	\$ 267,336	\$ 472,383	\$ 205,047	76.70%
5/8x3/4 Inch Commercial	948	1,675	727	76.70%
2 Inch Commercial	7,584	13,401	5,817	76.70%
Effluent	12,224	12,224	-	0.00%
			-	0.00%
Revenues From Projected Customer Growth	189,600	335,023	145,423	76.70%
Subtotal	\$ 477,692	\$ 834,706	\$ 357,014	74.74%
Miscellaneous Revenues	-	-	-	0.00%
Reconciling Amount	(143)	(202)	(59)	41.26%
Rounding			-	0.00%
Total of Water Revenues	\$ 477,549	\$ 834,504	\$ 356,955	74.75%

SUPPORTING SCHEDULES:

B-1
C-1
C-3
H-1

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Summary of Results of Operations

Exhibit
Schedule A-2
Page 1
Witness: Bourassa

Line No.	Description	Prior Years Ended		Test Year		Projected Year	
		12/31/2011	12/31/2012	Actual 12/31/2013	Adjusted 12/31/2013	Present Rates 12/31/2014	Proposed Rates 12/31/2014
1	Gross Revenues	\$ 275,632	\$ 275,587	\$ 287,949	\$ 477,549	\$ 477,549	\$ 834,504
2							
3	Revenue Deductions and	1,142,333	1,137,937	1,084,562	739,624	739,624	745,554
4	Operating Expenses						
5							
6	Operating Income	\$ (866,701)	\$ (862,350)	\$ (796,613)	\$ (262,075)	\$ (262,075)	\$ 88,950
7							
8	Other Income and	2,266	1,976	4,859	4,859	4,859	4,859
9	Deductions						
10							
11	Interest Expense	-	-	-	-	-	-
12							
13	Net Income	\$ (864,435)	\$ (860,374)	\$ (791,754)	\$ (257,216)	\$ (257,216)	\$ 93,809
14							
15	Earned Per Average						
16	Common Share	NA	NA	NA	NA	NA	NA
17							
18	Dividends Per						
19	Common Share	NA	NA	NA	NA	NA	NA
20							
21	Payout Ratio	-	-	-	-	-	-
22							
23	Return on Average						
24	Invested Capital	-8.13%	-8.30%	-7.85%	-2.87%	-2.90%	1.06%
25							
26	Return on Year End						
27	Capital	-8.30%	-8.35%	-8.04%	-2.87%	-2.93%	1.07%
28							
29	Return on Average						
30	Member's Equity	-28.04%	-32.60%	-33.61%	-10.16%	-13.37%	4.47%
31							
32	Return on Year End						
33	Common Equity	-33.00%	-32.36%	-38.58%	-10.71%	-14.33%	4.37%
34							
35	Times Bond Interest Earned						
36	Before Income Taxes	-	-	-	-	-	-
37							
38	Times Total Interest and						
39	Preferred Dividends Earned						
40	After Income Taxes	-	-	-	-	-	-
41							
42							
43							
44							
45							
46	<u>SUPPORTING SCHEDULES</u>						
47	C-1						
48	E-2						
49	F-1						
50							

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Construction Expenditures
and Gross Utility Plant in Service

Exhibit
Schedule A-4
Page 1
Witness: Bourassa

Line No.		<u>Construction Expenditures</u>	<u>Net Plant Placed in Service</u>	<u>Gross Utility Plant in Service</u>
1				
2				
3				
4	Prior Year Ended 12/31/2011	841,417	841,417	12,215,061
5				
6	Prior Year Ended 12/31/2012	10,525	10,525	12,225,586
7				
8	Test Year Ended 12/31/2013	36,969	36,969	12,262,555
9				
10	Projected Year Ended 12/31/2014	10,000	10,000	12,272,555
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34	<u>SUPPORTING SCHEDULES:</u>			
35	B-2			
36	E-5			
37	F-3			
38				
39				
40				

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Summary of Rate Base

Exhibit
Schedule B-1
Page 1
Witness: Bourassa

Line No.		Original Cost Rate base	Fair Value Rate Base
1			
2	Gross Utility Plant in Service	\$ 8,489,666	\$ 8,489,666
3	Less: Accumulated Depreciation	1,355,878	1,355,878
4			
5	Net Utility Plant in Service	\$ 7,133,789	\$ 7,133,789
6			
7	<u>Less:</u>		
8	Advances in Aid of Construction	5,674,841	5,674,841
9			
10	Contributions in Aid of Construction	549,043	549,043
11			
12	Accumulated Amortization of CIAC	(26,408)	(26,408)
13			
14	Customer Meter Deposits	-	-
15	Deferred Income Taxes & Credits	-	-
16			
17			
18			
19	<u>Plus:</u>		
20	Unamortized Finance		
21	Charges	-	-
22	Deferred Tax Assets	-	-
23	Allowance for Working Capital	-	-
24			
25			
26	Total Rate Base	\$ 936,312	\$ 936,312
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41	<u>SUPPORTING SCHEDULES:</u>		
42	B-2		
43	B-3		
44	B-5		
45	E-1		
46			
47			
48			
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Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments

Exhibit
Schedule B-2
Page 1
Witness: Bourassa

Line No.		Actual at End of Test Year	Proforma Adjustment	Adjusted at end of Test Year
1	Gross Utility			
2	Plant in Service	\$ 12,262,555	(3,772,889)	\$ 8,489,666
3				
4	Less:			
5	Accumulated			
6	Depreciation	3,782,206	(2,426,328)	1,355,878
7				
8				
9	Net Utility Plant			
10	in Service	\$ 8,480,349		\$ 7,133,789
11				
12	Less:			
13	Advances in Aid of			
14	Construction	5,674,841	-	5,674,841
15				
16	Contributions in Aid of			
17	Construction - Gross	549,043	-	549,043
18				
19	Accumulated Amortization of CIAC	(123,535)	97,127	(26,408)
20				
21	Customer Meter Deposits	-		-
22	Accumulated Deferred Income Tax	-	-	-
23				-
24				-
25				
26	Plus:			
27	Unamortized Finance			
28	Charges	-		-
29	Prepayments	-		-
30	Materials and Supplies	-		-
31	Working capital	-	-	-
32				-
33				
34	Total	<u>\$ 2,380,000</u>		<u>\$ 936,312</u>

SUPPORTING SCHEDULES:

B-2, pages 2

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RECAP SCHEDULES:

B-1

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments

Exhibit
Schedule B-2
Page 2
Witness: Bourassa

Line No.		Proforma Adjustments					Adjusted at end of Test Year
		Actual at End of Test Year	1 Plant-in-Service	2 Accumulated Depreciation	3 CIAC	4 Verano AIAC	5 Intentionally Left Blank
1	Gross Utility Plant in Service	\$ 12,262,555	(3,772,889)				\$ 8,489,666
2							
3							
4	Less:						
5	Accumulated Depreciation	3,782,206		(2,426,328)			1,355,878
6							
7							
8							
9	Net Utility Plant in Service	\$ 8,480,349	\$ (3,772,889)	\$ 2,426,328	\$ -	\$ -	\$ 7,133,789
10							
11							
12	Less:						
13	Advances in Aid of Construction	5,674,841					5,674,841
14							
15							
16	Contributions in Aid of Construction (CIAC)	549,043			-		549,043
17							
18	Accumulated Amort of CIAC	(123,535)			97,127		(26,408)
19							
20							
21	Customer Meter Deposits	-					-
22	Accumulated Deferred Income Taxes	-			-		-
23							
24							
25	Plus:						
26	Unamortized Finance Charges	-					-
27							
28	Prepayments	-					-
29	Materials and Supplies	-					-
30	Allowance for Cash Working Capital	-					-
31							
32	Total	\$ 2,380,000	\$ (3,772,889)	\$ 2,426,328	\$ (97,127)	\$ -	\$ 936,312
33							
34							
35							
36							
37							
38							
39							
40							

SUPPORTING SCHEDULES:
B-2, pages 3-5
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RECAP SCHEDULES:
B-1

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1

Exhibit
Schedule B-2
Page 3
Witness: Bourassa

Plant-in-Service									
Line No.	Acct. No.	Description	A		B		Adjustments C		Adjusted Original Cost
			Actual Original Cost	Excess Capacity Adjustment	Reconciliation to Reconciliation of PIS Balance	Intentionally Left Blank	Intentionally Left Blank	Intentionally Left Blank	
1	351	Organization	11,983	-	-	-	-	-	11,983
2	352	Franchise	59,751	-	-	-	-	-	59,751
3	353	Land	6,538	-	-	-	-	-	6,538
4	354	Structures & Improvements	14,298	-	-	-	-	-	14,298
5	355	Power Generation	-	-	-	-	-	-	-
6	360	Collection Sewer Forced	-	-	-	-	-	-	-
7	361	Collection Sewers Gravity	5,978,394	-	-	-	-	-	5,978,394
8	362	Special Collecting Structures	-	-	-	-	-	-	-
9	363	Customer Services	-	-	-	-	-	-	-
10	364	Flow Measuring Devices	-	-	-	-	-	-	-
11	366	Reuse Services	26,931	-	-	-	-	-	26,931
12	367	Reuse Meters And Installation	-	-	-	-	-	-	-
13	370	Receiving Wells	-	-	-	-	-	-	-
14	371	Pumping Equipment	-	-	-	-	-	-	-
15	374	Reuse Distribution Reservoirs	280,411	-	-	-	-	-	280,411
16	375	Reuse Trans. and Dist. System	625,073	-	-	-	-	-	625,073
17	380	Treatment & Disposal Equipment	5,240,123	(3,772,889)	-	-	-	-	1,467,234
18	381	Plant Sewers	-	-	-	-	-	-	-
19	382	Outfall Sewer Lines	-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	10,039	-	-	-	-	-	10,039
21	390	Office Furniture & Equipment	-	-	-	-	-	-	-
22	390.1	Computers and Software	8,224	-	-	-	-	-	8,224
23	391	Transportation Equipment	-	-	-	-	-	-	-
24	392	Stores Equipment	-	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	-	-	-	-	-	-	-
26	394	Laboratory Equip	790	-	-	-	-	-	790
27	396	Communication Equip	-	-	-	-	-	-	-
28	398	Other Tangible Plant	-	-	-	-	-	-	-
29									
30									
31									
32									
33									
34									
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50									

Plant Held for Future Use
TOTALS

Plant-in-Service per Books

Increase (decrease) in Plant-in-Service

Adjustment to Plant-in-Service

SUPPORTING SCHEDULES

B-2, pages 3.1-3.19

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1-A

Exhibit
Schedule B-2
Page 3.1
Witness: Bourassa

Excess Capacity Adjustment

Line

No.

1

2

3

Acct.

4

No. Description

5

6

380 Treatment & Disposal Equipment

7

8

9

TOTAL

10

11

12

Increase (decrease) in Plant-in-Service

13

14

Adjustment to Plant-in-Service

15

16

SUPPORTING SCHEDULES

17

Testimony

18

19

20

Plant
Balance

End of TY

Projected
Excess Capacity
as Percent

Excess
Capacity
Adjustment

5,240,123

72%

\$ 3,772,889

\$ 3,772,889

\$ (3,772,889)

\$ (3,772,889)

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 1-B

Exhibit
Schedule B-2
Page 3.2
Witness: Bourassa

Reconciliation of Plant-in-service Balance to Reconstructed Balance

Line No.	Acct. No.	Description	Original Cost	B-2 Adjustments	Adjusted Original Cost	Balance Per Reconstruction	Adjustments to Reconcile
5	351	Organization	11,983	-	11,983	11,983	-
6	352	Franchise	59,751	-	59,751	59,751	-
7	353	Land	6,538	-	6,538	6,538	-
8	354	Structures & Improvements	14,298	-	14,298	14,298	-
9	355	Power Generation	-	-	-	-	-
10	360	Collection Sewer Forced	-	-	-	-	-
11	361	Collection Sewers Gravity	5,978,394	-	5,978,394	5,978,394	-
12	362	Special Collecting Structures	-	-	-	-	-
13	363	Customer Services	-	-	-	-	-
14	364	Flow Measuring Devices	-	-	-	-	-
15	366	Reuse Services	26,931	-	26,931	26,931	-
16	367	Reuse Meters And Installation	-	-	-	-	-
17	370	Receiving Walls	-	-	-	-	-
18	371	Pumping Equipment	-	-	-	-	-
19	374	Reuse Distribution Reservoirs	280,411	-	280,411	280,411	-
20	375	Reuse Trans. and Dist. System	625,073	-	625,073	625,073	-
21	380	Treatment & Disposal Equipment	5,240,123	(3,772,889)	1,467,234	1,467,234	-
22	381	Plant Sewers	-	-	-	-	-
23	382	Outfall Sewer Lines	-	-	-	-	-
24	389	Other Sewer Plant & Equipment	-	-	-	-	-
25	390	Office Furniture & Equipment	10,039	-	10,039	10,039	-
26	390.1	Computers and Software	-	-	-	-	-
27	391	Transportation Equipment	8,224	-	8,224	8,224	-
28	392	Stores Equipment	-	-	-	-	-
29	393	Tools, Shop And Garage Equip	-	-	-	-	-
30	394	Laboratory Equip	790	-	790	790	-
31	396	Communication Equip	-	-	-	-	-
32	398	Other Tangible Plant	-	-	-	-	-
33			-	-	-	-	-
34			-	-	-	-	-
35			-	-	-	-	-
36			-	-	-	-	-
37			-	-	-	-	-
38			-	-	-	-	-
39			-	-	-	-	-
40			-	-	-	-	-
41			-	-	-	-	-
42			-	-	-	-	-
43			-	-	-	-	-
44			-	-	-	-	-
45			-	-	-	-	-
46			-	-	-	-	-
47			-	-	-	-	-
48			-	-	-	-	-
49			-	-	-	-	-
50			-	-	-	-	-
TOTALS			\$ 12,262,555	\$ (3,772,889)	\$ 8,489,666	\$ 8,489,666	\$ -

Increase (decrease) in Plant-in-Service

Adjustment to Plant-in-Service

SUPPORTING SCHEDULES

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Red Rock Utilities - Sewer Division
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.3
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	Plant at 12/31/2005	Accum. Deprec. At 12/31/2005	2006						Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.
						Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements					
1	351	Organization	0.00%	-	-	96,231	(84,842)	11,389	-	-	-	-	-	-	11,389	-
2	352	Franchise	0.00%	-	-	122,511	(75,260)	47,251	-	-	-	-	-	-	47,251	-
3	353	Land	0.00%	-	-	3,163	3,375	6,538	-	-	-	-	-	-	6,538	-
4	354	Structures & Improvements	3.33%	-	-	4,227,784	(4,225,318)	2,466	-	-	-	-	-	41	2,466	41
5	355	Power Generation	5.00%	-	-	38,100	(38,100)	-	-	-	-	-	-	-	-	-
6	360	Collection Sewer Forced	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers Gravity	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
8	362	Special Collecting Structures	2.00%	-	-	66,167	(66,167)	56,852	-	-	-	-	-	589	56,852	589
9	363	Customer Services	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
10	364	Flow Measuring Devices	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
11	366	Reuse Services	2.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
12	367	Reuse Meters And Installation	8.33%	-	-	-	-	-	-	-	-	-	-	-	-	-
13	370	Receiving Wells	3.33%	-	-	-	-	-	-	-	-	-	-	-	-	-
14	371	Pumping Equipment	12.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
15	374	Reuse Distribution Reservoirs	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
16	375	Reuse Trans. and Dist. System	2.50%	-	-	-	-	-	-	-	-	-	-	-	-	-
17	380	Treatment & Disposal Equipment	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
18	381	Plant Sewers	5.00%	-	-	50,625	(50,625)	4,541,009	-	-	-	-	-	113,525	4,541,009	113,525
19	382	Outfall Sewer Lines	3.33%	-	-	-	-	-	-	-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	6.67%	-	-	14,462	(14,462)	-	-	-	-	-	-	-	-	-
21	390	Office Furniture & Equipment	6.67%	-	-	2,928	(2,020)	908	-	-	-	-	-	30	908	30
22	390.1	Computers and Software	20.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
23	381	Transportation Equipment	20.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
24	392	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	5.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
26	394	Laboratory Equip	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
27	396	Communication Equip	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
28	398	Other Tangible Plant	10.00%	-	-	-	-	-	-	-	-	-	-	-	-	-
29				-	-	-	-	-	-	-	-	-	-	-	-	-
30				-	-	-	-	-	-	-	-	-	-	-	-	-
31				-	-	-	-	-	-	-	-	-	-	-	-	-
32				-	-	-	-	-	-	-	-	-	-	-	-	-
33				-	-	-	-	-	-	-	-	-	-	-	-	-
34				-	-	-	-	-	-	-	-	-	-	-	-	-
35				-	-	-	-	-	-	-	-	-	-	-	-	-
36				-	-	-	-	-	-	-	-	-	-	-	-	-
		Plant Held for Future Use		-	-	-	-	-	-	-	-	-	-	-	-	-
		TOTALS		-	-	4,622,971	45,442	4,668,413	-	-	-	-	-	114,185	4,668,413	114,185

Unadjusted PIS Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

4,668,413
(65,178)
4,603,235
114,185
2.48%

Exhibit
Schedule B-2
Page 3.4
Witness: Bourassa

Unadjusted PIS Balance	9,189,732
Non-Depr. or Fully Depr. Plant	(69,292)
Depreciable Plant	<u>9,130,440</u>
Depreciation Expense	284,174
Composite Depreciation Rate	3.11%

Red Rock Utilities - Sewer Division
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.5
Witness: Bourassa

NARUC Line Account		Description	Allowed Deprec. Rate	2008				Adjusted Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Plant Balance	Accum. Deprec.
No.	No.			Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions								
1	351	Organization	0.00%	9,950	-	9,950		-	-	-	-	-	12,953	-
2	352	Franchise	0.00%	-	-	-		-	-	-	-	-	59,751	-
3	353	Land	0.00%	-	-	-		-	-	-	-	-	6,538	-
4	354	Structures & Improvements	3.33%	11,832	-	11,832		-	-	-	279	-	14,298	402
5	355	Power Generation	5.00%	-	-	-		-	-	-	-	-	-	-
6	360	Collection Sewer Forced	2.00%	-	-	-		-	-	-	-	-	-	-
7	361	Collection Sewers Gravity	2.00%	1,500	-	1,500		-	-	-	-	-	-	-
8	362	Special Collecting Structures	2.00%	-	-	-		-	-	-	-	-	-	-
9	363	Customer Services	2.00%	-	-	-		-	-	-	-	-	-	-
10	364	Flow Measuring Devices	10.00%	-	-	-		-	-	-	-	-	-	-
11	366	Reuse Services	2.00%	-	-	-		-	-	-	-	-	-	-
12	367	Reuse Meters And Installation	8.33%	-	-	-		-	-	-	-	-	-	-
13	370	Receiving Wells	3.33%	-	-	-		-	-	-	-	-	-	-
14	371	Pumping Equipment	12.50%	-	-	-		-	-	-	-	-	-	-
15	374	Reuse Distribution Reservoirs	2.50%	-	-	-		-	-	-	-	-	-	-
16	375	Reuse Trans. and Dist. System	2.50%	-	-	-		-	-	-	-	-	-	-
17	380	Treatment & Disposal Equipment	5.00%	-	-	-		-	-	-	-	-	-	-
18	381	Plant Sewers	5.00%	-	-	-		-	-	-	-	-	-	-
19	382	Outfall Sewer Lines	3.33%	-	-	-		-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	6.67%	-	-	-		-	-	-	-	-	-	-
21	390	Office Furniture & Equipment	6.67%	-	-	-		-	-	-	-	-	-	-
22	390.1	Computers and Software	20.00%	-	-	-		-	-	-	-	-	-	-
23	391	Transportation Equipment	20.00%	-	-	-		-	-	-	-	-	-	-
24	392	Stores Equipment	4.00%	-	-	-		-	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	5.00%	-	-	-		-	-	-	-	-	-	-
26	394	Laboratory Equip	10.00%	-	-	-		-	-	-	-	-	-	-
27	396	Communication Equip	10.00%	-	-	-		-	-	-	-	-	-	-
28	398	Other Tangible Plant	10.00%	-	-	-		-	-	-	-	-	-	-
29				-	-	-		-	-	-	-	-	-	-
30				-	-	-		-	-	-	-	-	-	-
31				-	-	-		-	-	-	-	-	-	-
32				-	-	-		-	-	-	-	-	-	-
33				-	-	-		-	-	-	-	-	-	-
34				-	-	-		-	-	-	-	-	-	-
35				-	-	-		-	-	-	-	-	-	-
36				-	-	-		-	-	-	-	-	-	-
		Plant Held for Future Use		-	-	-		-	-	-	-	-	-	-
		TOTALS		23,282	-	23,282		-	-	-	-	340,189	9,223,014	738,548

Unadjusted PIS Balance	9,223,014
Non-Depr. or Fully Depr. Plant	(78,242)
Depreciable Plant	<u>9,143,772</u>
Depreciation Expense	340,189
Composite Depreciation Rate	3.72%

Exhibit
Schedule B-2
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Witness: Bourassa

12,187,950	
(79,242)	
<u>12,108,708</u>	
372,385	
	3.08%

Red Rock Utilities - Sewer Division
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.7
Witness: Bourassa

NARUC			Allowed Deprec. Rate	2010						Accum. Deprec.		
Line No.	Account No.	Description		Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements		Salvage A/D Only	Depreciation (Calculated)
1	351	Organization	0.00%	-	-	-	-	-	-	-	-	12,963
2	352	Franchise	0.00%	-	-	-	-	-	-	-	-	59,751
3	353	Land	0.00%	-	-	-	-	-	-	-	-	6,538
4	354	Structures & Improvements	3.33%	-	-	-	-	-	-	476	-	14,298
5	355	Power Generation	5.00%	-	-	-	-	-	-	-	-	1,355
6	360	Collection Sewer Forced	2.00%	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers Gravity	2.00%	-	-	-	-	-	-	-	-	-
8	362	Special Collecting Structures	2.00%	-	-	-	-	-	-	-	-	-
9	363	Customer Services	2.00%	-	-	-	-	-	-	-	-	-
10	364	Flow Measuring Devices	10.00%	-	-	-	-	-	-	-	-	-
11	366	Reuse Services	2.00%	-	-	-	-	-	-	-	-	-
12	367	Reuse Meters And Installation	8.33%	-	-	-	-	-	-	539	-	26,931
13	370	Receiving Wells	3.33%	-	-	-	-	-	-	-	-	-
14	371	Pumping Equipment	12.50%	-	-	-	-	-	-	-	-	-
15	374	Reuse Distribution Reservoirs	2.50%	-	-	-	-	-	-	6,659	-	265,365
16	375	Reuse Trans. and Dist. System	2.50%	4,810	-	4,810	-	-	-	15,488	-	621,908
17	380	Treatment & Disposal Equipment	5.00%	4,552	-	4,552	-	-	-	259,465	-	5,191,576
18	381	Plant Sewers	5.00%	-	-	-	-	-	-	-	-	-
19	382	Outfall Sewer Lines	3.33%	-	-	-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	6.67%	-	-	-	-	-	-	-	-	-
21	390	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	670	-	10,039
22	390.1	Computers and Software	20.00%	-	-	-	-	-	-	-	-	-
23	391	Transportation Equipment	20.00%	-	-	-	-	-	-	1,645	-	8,224
24	392	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	5.00%	-	-	-	-	-	-	-	-	-
26	394	Laboratory Equip	10.00%	-	-	-	-	-	-	16	-	158
27	395	Communication Equip	10.00%	-	-	-	-	-	-	-	-	-
28	398	Other Tangible Plant	10.00%	-	-	-	-	-	-	18	-	176
29				-	-	-	-	-	-	-	-	-
30				-	-	-	-	-	-	-	-	-
31				-	-	-	-	-	-	-	-	-
32				-	-	-	-	-	-	-	-	-
33				-	-	-	-	-	-	-	-	-
34		Plant Held for Future Use		-	-	-	-	-	-	-	-	-
35		TOTALS		9,362	-	9,362	-	-	-	404,542	-	12,197,312
36												1,515,475

Unadjusted PIS Balance	12,197,312
Non-Depr. or Fully Depr. Plant	(79,242)
Depreciable Plant	12,118,070
Depreciation Expense	404,542
Composite Depreciation Rate	3.34%

Red Rock Utilities - Sewer Division
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.8
Witness: Bourassa

Line No.	NARUC Account No.	Description	Allowed Deprec. Rate	2011						Salvage A/D Only	Depreciation (Calculated)	A/D Adjustment	Plant Balance	Accum. Deprec.
				Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements					
1	351	Organization	0.00%		(970)	(970)							11,983	-
2	352	Franchise	0.00%		-	-							59,751	-
3	353	Land	0.00%		-	-							6,538	-
4	354	Structures & Improvements	3.33%		-	-					478		14,298	1,831
5	355	Power Generation	5.00%		-	-							-	-
6	360	Collection Sewer Forced	2.00%		-	-							-	-
7	361	Collection Sewers Gravity	2.00%		-	-					119,568		5,978,394	448,256
8	362	Special Collecting Structures	2.00%		-	-							-	-
9	363	Customer Services	2.00%		-	-							-	-
10	364	Flow Measuring Devices	10.00%		-	-							-	-
11	366	Reuse Services	2.00%		-	-							-	-
12	367	Reuse Meters And Installation	8.33%		-	-							26,931	1,857
13	370	Receiving Wells	3.33%		-	-							-	-
14	371	Pumping Equipment	12.50%		-	-							-	-
15	374	Reuse Distribution Reservoirs	2.50%	2,034	12,011	14,045					6,835	312	280,411	17,135
16	375	Reuse Trans. and Dist. System	2.50%		-	-					15,548	-	821,908	51,617
17	380	Treatment & Disposal Equipment	5.00%		4,038	4,038					238,690	613	5,195,614	1,390,060
18	381	Plant Sewers	5.00%		-	-							-	-
19	382	Outfall Sewer Lines	3.33%		-	-							-	-
20	389	Other Sewer Plant & Equipment	6.67%		-	-							-	-
21	390	Office Furniture & Equipment	20.00%		-	-					670		10,039	3,074
22	390.1	Computers and Software	20.00%		-	-					1,645		6,224	7,402
23	391	Transportation Equipment	4.00%		-	-							-	-
24	392	Stores Equipment	4.00%		-	-							-	-
25	393	Tools, Shop And Garage Equip	5.00%		-	-					56		970	112
26	394	Laboratory Equip	10.00%	812	-	-							-	-
27	396	Communication Equip	10.00%		(176)	(176)					9	(70)	-	0
28	398	Other Tangible Plant	10.00%		-	-							-	-
29					-	-							-	-
30					-	-							-	-
31					-	-							-	-
32					-	-							-	-
33					-	-							-	-
34					-	-							-	-
35					-	-							-	-
36		TOTALS		2,846	14,903	17,749	-	-	-	-	405,024	855	12,215,061	1,921,354

Unadjusted PIS Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

12,215,061
(78,272)
12,136,789
855
0.01%

Red Rock Utilities - Sewer Division
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3.9
Witness: Bourassa

NARLUC			2012										
Line No.	Account No.	Description	Allowed Deprec. Rate	Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage AID Only	Depreciation (Calculated)	Plant Balance	Accum. Deprac.
1	351	Organization	0.00%	-	-	-	-	-	-	-	-	11,983	-
2	352	Franchise	0.00%	-	-	-	-	-	-	-	-	59,751	-
3	353	Land	0.00%	-	-	-	-	-	-	-	-	6,538	-
4	354	Structures & Improvements	3.33%	-	-	-	-	-	-	-	476	14,298	2,307
5	355	Power Generation	5.00%	-	-	-	-	-	-	-	-	-	-
6	360	Collection Sewer Forced	2.00%	-	-	-	-	-	-	-	-	-	-
7	361	Collection Sewers Gravity	2.00%	-	-	-	-	-	-	-	-	-	-
8	362	Special Collecting Structures	2.00%	-	-	-	-	-	-	-	119,568	5,978,394	567,834
9	363	Customer Services	2.00%	-	-	-	-	-	-	-	-	-	-
10	364	Flow Measuring Devices	10.00%	-	-	-	-	-	-	-	-	-	-
11	366	Reuse Services	2.00%	-	-	-	-	-	-	-	-	-	-
12	367	Reuse Meters And Installation	8.33%	-	-	-	-	-	-	-	539	26,931	2,396
13	370	Receiving Wells	3.33%	-	-	-	-	-	-	-	-	-	-
14	371	Pumping Equipment	12.50%	-	-	-	-	-	-	-	-	-	-
15	374	Reuse Distribution Reservoirs	2.50%	-	-	-	-	-	-	-	7,010	280,411	24,145
16	375	Reuse Trans. and Dist. System	2.50%	3,165	-	3,165	-	-	-	-	15,587	625,073	67,204
17	380	Treatment & Disposal Equipment	5.00%	7,541	-	7,541	-	-	-	-	259,989	5,203,155	1,650,030
18	381	Plant Sewers	5.00%	-	-	-	-	-	-	-	-	-	-
19	382	Outfall Sewer Lines	3.33%	-	-	-	-	-	-	-	-	-	-
20	389	Other Sewer Plant & Equipment	6.67%	-	-	-	-	-	-	-	670	10,039	3,743
21	390	Office Furniture & Equipment	6.67%	-	-	-	-	-	-	-	-	-	-
22	390.1	Computers and Software	20.00%	-	-	-	-	-	-	-	822	8,224	8,224
23	391	Transportation Equipment	20.00%	-	-	-	-	-	-	-	-	-	-
24	392	Stores Equipment	4.00%	-	-	-	-	-	-	-	-	-	-
25	393	Tools, Shop And Garage Equip	5.00%	-	-	-	-	-	-	-	-	-	-
26	394	Laboratory Equip	10.00%	-	-	-	-	-	-	-	-	-	-
27	396	Communication Equip	10.00%	720	-	720	900	-	900	-	88	780	(700)
28	398	Other Tangible Plant	10.00%	-	-	-	-	-	-	-	-	-	0
29				-	-	-	-	-	-	-	-	-	-
30				-	-	-	-	-	-	-	-	-	-
31				-	-	-	-	-	-	-	-	-	-
32				-	-	-	-	-	-	-	-	-	-
33				-	-	-	-	-	-	-	-	-	-
34		Plant Held for Future Use		-	-	-	-	-	-	-	-	-	-
35		TOTALS		11,426	-	11,426	900	-	900	-	404,729	12,225,587	2,325,183

Unadjusted PIS Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

12,225,587
(78,272)
12,147,315
404,729
3.33%

Red Rock Utilities - Sewer Division
Plant Additions and Retirements

Exhibit
Schedule B-2
Page 3 10
Witness: Bourassa

NARUC			Allowed Deprec. Rate	2013											
Line No.	Account No.	Description		Plant Additions (Per Books)	Plant Adjustments	Adjusted Plant Additions	Plant Retirements (Per Books)	Retirement Adjustments	Adjusted Plant Retirements	Salvage A/D Only	Depreciation (Calculated)	Excess Capacity PLS Adjustment	Plant Balance	Excess Capacity A/D Adjustment	Accum. Deprec.
1	351	Organization			-			-		-			11,983		-
2	352	Franchise			-			-		-			59,751		-
3	353	Land			-			-		-			6,538		-
4	354	Structures & Improvements			-			-		476			14,298		2,783
5	355	Power Generation			-			-		-			-		-
6	360	Collection Sewer Forced			-			-		-			-		-
7	361	Collection Sewers Gravity			-			-		119,568			5,978,394		687,402
8	362	Special Collecting Structures			-			-		-			-		-
9	363	Customer Services			-			-		-			-		-
10	364	Flow Measuring Devices			-			-		-			-		-
11	366	Reuse Services			-			-		539			26,931		2,935
12	367	Reuse Meters And Installation			-			-		-			-		-
13	370	Receiving Wells			-			-		-			-		-
14	371	Pumping Equipment			-			-		-			-		-
15	374	Reuse Distribution Reservoirs			-			-		7,010			280,411		31,155
16	375	Reuse Trans. and Dist. System			-			-		15,627			625,073		82,831
17	380	Treatment & Disposal Equipment		36,968	36,968			-		261,082	(3,772,889)		1,467,234	(1,376,000)	535,111
18	381	Plant Sewers			-			-		-			-		-
19	382	Outfall Sewer Lines			-			-		-			-		-
20	389	Other Sewer Plant & Equipment			-			-		-			-		-
21	390	Office Furniture & Equipment			-			-		670			10,039		4,413
22	390.1	Computers and Software			-			-		-			-		-
23	391	Transportation Equipment			-			-		1,645			8,224		9,868
24	392	Stores Equipment			-			-		-			-		-
25	393	Tools, Shop And Garage Equip			-			-		-			-		-
26	394	Laboratory Equip			-			-		79			780		(621)
27	396	Communication Equip			-			-		-			-		-
28	398	Other Tangible Plant			-			-		-			-		0
29					-			-		-			-		-
30					-			-		-			-		-
31					-			-		-			-		-
32					-			-		-			-		-
33					-			-		-			-		-
34		Plant Held for Future Use			-			-		-			-		-
35		TOTALS		36,968	36,968			-		406,695	(3,772,889)		9,489,686	(1,376,000)	1,355,878

Unadjusted PLS Balance
Non-Depr. or Fully Depr. Plant
Depreciable Plant
Depreciation Expense
Composite Depreciation Rate

12,262,555
(76,272)
12,184,283
406,695
3.34%

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2

Accumulated Depreciation

Line No.	Acct. No.	Description	Per Books Accum. Depr.	A Excess Capacity Adjustment	B Reconciliation to Reconstruction of A/D Balance	C Adjustments Intentionally Left Blank	D Intentionally Left Blank	E Intentionally Left Blank	Adjusted Accum. Depr.
1	351	Organization	20,103		(20,103)				-
2	352	Franchise	2,289		(2,289)				-
3	353	Land	4,117		(1,334)				2,783
4	354	Structures & Improvements							-
5	355	Power Generation							-
6	360	Collection Sewer Forced							-
7	361	Collection Sewers Gravity	1,717,033		(1,029,631)				687,402
8	362	Special Collecting Structures							-
9	363	Customer Services							-
10	364	Flow Measuring Devices							-
11	366	Reuse Services	7,336		(4,401)				2,935
12	367	Reuse Meters And Installation							-
13	370	Receiving Wells							-
14	371	Pumping Equipment							-
15	374	Reuse Distribution Reservoirs	62,011		(30,856)				31,155
16	375	Reuse Trans. and Dist. System	165,662		(82,831)				82,831
17	380	Treatment & Disposal Equipment	1,797,486	(1,376,000)	113,626				535,111
18	381	Plant Sewers							-
19	382	Outfall Sewer Lines							-
20	389	Other Sewer Plant & Equipment	3,359		(3,359)				-
21	390	Office Furniture & Equipment	2,673		1,740				4,413
22	390.1	Computers and Software							-
23	391	Transportation Equipment			9,868				9,868
24	392	Stores Equipment							-
25	393	Tools, Shop And Garage Equip							-
26	394	Laboratory Equip	139		(760)				(621)
27	396	Communication Equip							-
28	398	Other Tangible Plant			0				0
29									-
30									-
31									-
32									-
33									-
34									-
35									-
36									-
37									-
38									-
39		Plant Held for Future Use							-
40		TOTALS	\$ 3,782,208	\$ (1,376,000)	\$ (1,050,330)	\$ -	\$ -	\$ -	\$ 1,355,878
41									-
42		Accumulated Depreciation per Books							\$ 3,782,206
43									-
44		Increase (decrease) in Accumulated Depreciation							\$ (2,426,328)
45									-
46		Adjustment to Accumulated Depreciation							\$ (2,426,328)
47									-

SUPPORTING SCHEDULES
B-2, pages 4.1 to 4.2

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment Number 2-A

Exhibit
Schedule B-2
Page 4.1
Witness: Bourassa

Excess Capacity Adjustment

Line

No.

1

2

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Acct.		Computed	Projected	
		A/D Balance	Excess	Excess
		Before Capacity	Capacity	Capacity
<u>No.</u>	<u>Description</u>	<u>Adjustment</u>	<u>as Percent</u>	<u>Adjustment</u>
380	Treatment & Disposal Equipment	\$ 1,911,112	72%	\$ 1,376,000
	TOTAL			\$ 1,376,000
	Increase (decrease) in Plant-in-Service			\$ (1,376,000)
	Adjustment to Plant-in-Service			\$ (1,376,000)

SUPPORTING SCHEDULES

B-2 pages 3.1

Reconciliation of Accumulated Depreciation (A/D) Balance to Reconstructed Balance

Line No.	Acct. No.	Description	A/D Balance	B-2 Adjustments	Adjusted A/D Balance	A/D Balance Per Reconstruction	Adjustments to Reconcile
1	351	Organization					
2	352	Franchise	20,103	-	20,103	-	(20,103)
3	353	Land	2,289	-	2,289	-	(2,289)
4	354	Structures & Improvements	4,117	-	4,117	2,783	(1,334)
5	355	Power Generation		-	-	-	-
6	360	Collection Sewer Forced		-	-	-	-
7	361	Collection Sewers Gravity	1,717,033	-	1,717,033	687,402	(1,029,631)
8	362	Special Collecting Structures		-	-	-	-
9	363	Customer Services		-	-	-	-
10	364	Flow Measuring Devices		-	-	-	-
11	365	Reuse Services	7,336	-	7,336	2,935	(4,401)
12	367	Reuse Meters And Installation		-	-	-	-
13	370	Receiving Wells		-	-	-	-
14	371	Pumping Equipment		-	-	-	-
15	374	Reuse Distribution Reservoirs	62,011	-	62,011	31,155	(30,856)
16	375	Reuse Trans. and Dist. System	165,662	-	165,662	82,831	(82,831)
17	380	Treatment & Disposal Equipment	1,797,486	(1,376,000)	421,486	535,111	113,626
18	381	Plant Sewers		-	-	-	-
19	382	Outfall Sewer Lines		-	-	-	-
20	389	Other Sewer Plant & Equipment	3,359	-	3,359	-	(3,359)
21	390	Office Furniture & Equipment	2,673	-	2,673	4,413	1,740
22	390.1	Computers and Software		-	-	-	-
23	391	Transportation Equipment		-	-	9,868	9,868
24	392	Stores Equipment		-	-	-	-
25	393	Tools, Shop And Garage Equip		-	-	-	-
26	394	Laboratory Equip	139	-	139	(621)	(760)
27	396	Communication Equip		-	-	-	-
28	398	Other Tangible Plant	-	-	-	0	0
29							
30							
31							
32							
33							
34							
35							
36							
37							
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39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							
		TOTALS	\$ 3,782,208	\$ (1,376,000)	\$ 2,406,208	\$ 1,355,878	\$ (1,050,330)
		Increase (decrease) in A/D					\$ (1,050,330)
		Adjustment to A/D					\$ (1,050,330)

SUPPORTING SCHEDULES
B-2, pages 4
B-2, pages 3.3-3.10

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment 3

Exhibit
Schedule B-2
Page 5
Witness: Bourassa

Contributions-in-Aid of Construction (CIAC) and Accumulated Amortization

Line
No.

	Gross CIAC	Accumulated Amortization
1		
2		
3		
4		
5	Computed balance at end of TY	
6	\$ 549,043	\$ 26,408
7	Book balance at end of TY	
8	\$ 549,043	\$ 123,535
9	Increase (decrease)	
10	\$ -	\$ (97,127)
11		
12	Adjustment to CIAC/AA CIAC	
13	\$ -	\$ 97,127
14	Label	
15	3a	3b

SUPPORTING SCHEDULES

E-1

B-2, page 5.1

Line No.	2006		2007		2008		2009		2010		2011	
	Balance 12/31/2005	Additions	Balance 12/31/2006	Additions	Balance 12/31/2007	Additions	Balance 12/31/2008	Additions	Balance 12/31/2009	Additions	Balance 12/31/2010	Additions
1	-	-	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-	-	-	-
5	CIAC	-	-	-	-	-	-	-	535,316	13,727	549,043	549,043
6												
7	Beginning Amortization Balance	-	-	-	-	-	-	-	-	-	-	-
8	Amortization Rate	-	2.48%	-	3.11%	-	3.72%	-	3.08%	-	3.34%	0.01%
9	Amortization (1/2 yr convention)	-	-	-	-	-	-	-	8,244	-	18,109	55
10	Accumulated Amortization	-	-	-	-	-	-	-	8,244	-	26,353	26,408
11												
12	Net CIAC	-	-	-	-	-	-	-	535,316	13,727	522,690	522,635
13												
14												
15												
16												
17												
18												
19												
20	CIAC	-	-	-	-	-	-	-	-	-	-	-
21												
22												
23	Amortization Rate	-	-	-	-	-	-	-	-	-	-	-
24	Amortization (1/2 yr convention)	-	-	-	-	-	-	-	-	-	-	-
25	Accumulated Amortization	-	-	-	-	-	-	-	-	-	-	-
26												
27	Net CIAC	-	-	-	-	-	-	-	-	-	-	-
28												
29												
30												

2012		2013	
Balance 12/31/2012	Additions	Balance 12/31/2013	
549,043	-	549,043	
3.33%		3.34%	
18,283		18,338	
44,691		63,029	
504,352	-	486,014	

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Original Cost Rate Base Proforma Adjustments
Adjustment 3

Exhibit
Schedule B-2
Page 5
Witness: Bourassa

Line

No.

1 Reclassification of AIAC and CIAC

2

3

4 CIAC

\$ -

5

6 AIAC

\$ -

7

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19 SUPPORTING SCHEDULES

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Red Rock Ultiities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Computation of Working Capital

Exhibit
Schedule B-5
Page 1
Witness: Bourassa

Line
No.

1	Cash Working Capital (1/8 of Allowance	
2	Operation and Maintenance Expense)	\$ 51,492
3	Pumping Power (1/24 of Pumping Power)	4,088
4	Purchased Water (1/24 of Purchased Water)	111
5	Prepaid Expenses	
6		
7		
8		
9	Total Working Capital Allowance	<u>\$ 55,691</u>
10		
11		
12	Working Capital Requested	<u>\$ -</u>
13		
14		
15		
16		
17		<u>Adjusted Test Year</u>
18	Total Operating Expense	\$ 739,624
19	Less:	
20	Income Tax	\$ -
21	Property Tax	23,766
22	Depreciation	203,130
23	Purchased Water	2,672
24	Pumping Power	98,122
25	Allowable Expenses	<u>\$ 411,934</u>
26	1/8 of allowable expenses	<u>\$ 51,492</u>
27		
28		

29 SUPPORTING SCHEDULES:
30 E-1

RECAP SCHEDULES:
B-1

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Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Income Statement

Exhibit
Schedule C-1
Page 1
Witness: Bourassa

Line No.		Test Year Book Results	Adjustment	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
1	Revenues					
2	Metered Water Revenues	\$ 275,731	\$ 189,600	\$ 465,331	\$ 356,955	\$ 822,286
3	Unmetered Water Revenues	12,218	-	12,218	-	12,218
4	Other Water Revenues	-	-	-	-	-
5		<u>\$ 287,949</u>	<u>\$ 189,600</u>	<u>\$ 477,549</u>	<u>\$ 356,955</u>	<u>\$ 834,504</u>
6	Operating Expenses					
7	Salaries and Wages	\$ 15,223	-	\$ 15,223	-	\$ 15,223
8	Employee Pensions and Benefits	930	-	930	-	930
9	Sludge Removal	7,538	-	7,538	-	7,538
10	Purchased Water	2,672	-	2,672	-	2,672
11	Purchased Power	59,605	38,517	98,122	-	98,122
12	Chemicals	-	-	-	-	-
13	Repairs and Maintenance	30,231	-	30,231	-	30,231
14	Office Supplies and Expense	3,283	-	3,283	-	3,283
15	Contractual Services - Engineering	-	-	-	-	-
16	Contractual Services - Accounting	56,000	-	56,000	-	56,000
17	Contractual Services - Legal	32,485	-	32,485	-	32,485
18	Contractual Services - Other	220,686	-	220,686	-	220,686
19	Contractual Services - Water Testing	13,797	-	13,797	-	13,797
20	Rents - Equipment	-	-	-	-	-
21	Transportation Expenses	-	-	-	-	-
22	Insurance - Vehicle	-	-	-	-	-
23	Insurance - General Liability	11,902	-	11,902	-	11,902
24	Insurance - Worker's Comp	-	-	-	-	-
25	Regulatory Commission Expense	-	-	-	-	-
26	Regulatory Commission Expense - Rate Ca	-	5,000	5,000	-	5,000
27	Bad Debt Expense	-	-	-	-	-
28	Miscellaneous Expense	11,744	-	11,744	-	11,744
29	Sales Tax Expense	-	-	-	-	-
30	Depreciation Expense	584,152	(381,022)	203,130	-	203,130
31	Taxes Other Than Income	3,115	-	3,115	-	3,115
32	Property Taxes	31,199	(7,433)	23,766	5,930	29,696
33	Income Tax	-	-	-	-	-
34	Total Operating Expenses	<u>\$ 1,084,562</u>	<u>\$ (344,938)</u>	<u>\$ 739,624</u>	<u>\$ 5,930</u>	<u>\$ 745,554</u>
35	Operating Income	<u>\$ (796,613)</u>	<u>\$ 534,538</u>	<u>\$ (262,075)</u>	<u>\$ 351,024</u>	<u>\$ 88,950</u>
36	Other Income (Expense)					
37	Interest Income	4,859	-	4,859	-	4,859
38	Other income	-	-	-	-	-
39	Interest Expense	-	-	-	-	-
40	Other Expense	-	-	-	-	-
41		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
42	Total Other Income (Expense)	<u>\$ 4,859</u>	<u>\$ -</u>	<u>\$ 4,859</u>	<u>\$ -</u>	<u>\$ 4,859</u>
43	Net Profit (Loss)	<u><u>\$ (791,754)</u></u>	<u><u>\$ 534,538</u></u>	<u><u>\$ (257,216)</u></u>	<u><u>\$ 351,024</u></u>	<u><u>\$ 93,809</u></u>

SUPPORTING SCHEDULES:

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RECAP SCHEDULES:

A-1

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Income Statement

Exhibit
Schedule C-1
Page 2
Witness: Bourassa

Line No.	1	2	3	4	5	6	7	8	9	Test Year Adjusted Results	Proposed Rate Increase	Adjusted with Rate Increase
1	Revenues											
2	Metered Water Revenues									\$ 465,331	\$ 356,955	\$ 822,286
3	Unmetered Water Revenues									12,218		12,218
4	Other Water Revenues											
5												
6	Operating Expenses											
7	Salaries and Wages									\$ 477,549	\$ 366,955	\$ 834,504
8	Employee Pensions and Benefits											
9	Sludge Removal									15,223		15,223
10	Purchased Water									830		930
11	Purchased Power									7,538		7,538
12	Chemicals									2,672		2,672
13	Repairs and Maintenance									88,122		98,122
14	Office Supplies and Expense											
15	Contractual Services - Engineering									30,231		30,231
16	Contractual Services - Management									3,283		3,283
17	Contractual Services - Legal									56,000		56,000
18	Contractual Services - Other									32,485		32,485
19	Contl. Services - Water Testing									220,686		220,686
20	Rentl. - Equipment									13,797		13,797
21	Transportation Expenses											
22	Insurance - General Liability											
23	Insurance - Vehicle									11,902		11,902
24	Insurance - Worker's Comp											
25	Regulatory Commission Expense									5,000		5,000
26	Regulatory Commission Expense - Rate Case											
27	Bad Debt Expense											
28	Miscellaneous Expense									11,744		11,744
29	Sales Tax Expense											
30	Depreciation Expense									203,130		203,130
31	Taxes Other Than Income									3,115		3,115
32	Property Taxes									23,766	5,930	29,696
33	Income Tax											
34	Total Operating Expenses									\$ 739,624	\$ 5,930	\$ 745,554
35	Operating Income									\$ (262,075)	\$ 351,024	\$ 88,950
36	Other Income (Expense)											
37	Interest Income											
38	Other Income									4,859		4,859
39	Interest Expense											
40	Other Expense											
41												
42	Total Other Income (Expense)											
43	Net Profit (Loss)									\$ (257,216)	\$ 351,024	\$ 93,809
44												
45												
46												
47												

RECAP SCHEDULES:
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SUPPORTING SCHEDULES:
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Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Adjustments to Revenues and Expenses

Exhibit
Schedule C-2
Page 1
Witness: Bourassa

Line No.	<u>Adjustments to Revenues and Expenses</u>						
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	
		Property	Rate	Annualized	Reverse	Intentionally	
	<u>Depreciation</u>	<u>Taxes</u>	<u>Case Expense</u>	<u>Revenues</u>	<u>Revenue</u>	<u>Left</u>	
				<u>Projected Growth</u>	<u>Accrual</u>	<u>Blank</u>	<u>Subtotal</u>
1				189,600	-		189,600
2							
3							
4	Revenues						
5							
6	Expenses	(381,022)	(7,433)	5,000	-	-	(383,455)
7							
8	Operating						
9	Income	381,022	7,433	(5,000)	189,600	-	573,055
10							
11	Interest						
12	Expense						-
13	Other						
14	Income /						-
15	Expense						
16							
17	Net Income	381,022	7,433	(5,000)	189,600	-	573,055
18							
19							
20		<u>Adjustments to Revenues and Expenses</u>					
21		<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>
22		Intentionally	Intentionally	Intentionally	Intentionally	Intentionally	Intentionally
23		Left	Left	Left	Left	Left	Left
24		<u>Blank</u>	<u>Blank</u>	<u>Blank</u>	<u>Blank</u>	<u>Blank</u>	<u>Blank</u>
25	Revenues						189,600
26							
27	Expenses						(383,455)
28							
29	Operating						
30	Income	-	-	-	-	-	573,055
31							
32	Interest						
33	Expense	-					-
34	Other						
35	Income /						-
36	Expense						
37							
38	Net Income	-	-	-	-	-	573,055
39							

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Adjustments to Revenues and Expenses
Adjustment Number 1

Exhibit
Schedule C-2
Page 2
Witness: Bourassa

Depreciation Expense

Line No.	Acct.	No.	Description	Adjusted Original Cost	Fully Depri/ Non-Depr	Depreciable Cost	Proposed Rates	Depreciation Expense
1								
2								
3								
4								
5		351	Organization	11,983	(11,983)	-	0.00%	-
6		352	Franchise	59,751	(59,751)	-	0.00%	-
7		353	Land	6,538	(6,538)	-	0.00%	-
8		354	Structures & Improvements	14,298		14,298	3.33%	476
9		355	Power Generation	-		-	5.00%	-
10		360	Collection Sewer Forced	-		-	2.00%	-
11		361	Collection Sewers Gravity	5,978,394		5,978,394	2.00%	119,568
12		362	Special Collecting Structures	-		-	2.00%	-
13		363	Customer Services	-		-	2.00%	-
14		364	Flow Measuring Devices	-		-	10.00%	-
15		366	Reuse Services	26,931		26,931	2.00%	539
16		367	Reuse Meters And Installation	-		-	8.33%	-
17		370	Receiving Wells	-		-	3.33%	-
18		371	Pumping Equipment	-		-	12.50%	-
19		374	Reuse Distribution Reservoirs	280,411		280,411	2.50%	7,010
20		375	Reuse Trans. and Dist. System	625,073		625,073	2.50%	15,627
21		380	Treatment & Disposal Equipment	1,467,234		1,467,234	5.00%	73,362
22		381	Plant Sewers	-		-	5.00%	-
23		382	Outfall Sewer Lines	-		-	3.33%	-
24		389	Other Sewer Plant & Equipment	-		-	6.67%	-
25		390	Office Furniture & Equipment	10,039		10,039	6.67%	670
26		390.1	Computers and Software	-		-	20.00%	-
27		391	Transportation Equipment	8,224	(8,224)	-	20.00%	-
28		392	Stores Equipment	-		-	4.00%	-
29		393	Tools, Shop And Garage Equip	-		-	5.00%	-
30		394	Laboratory Equip	790		790	10.00%	79
31		396	Communication Equip	-		-	10.00%	-
32		398	Other Tangible Plant	-		-	10.00%	-
33				-		-		-
34				-		-		-
35				-		-		-
36				-		-		-
37				-		-		-
38			TOTALS	\$ 8,489,666	\$ (86,496)	\$ 8,403,170		\$ 217,330
39								
40								
41			Less: Amortization of Contributions			Gross CIAC \$ 549,043	Amort. Rate 2.5863%	\$ (14,200)
42			Total Depreciation Expense					\$ 203,130
43								
44			Adjusted Test Year Depreciation Expense					584,152
45								
46			Increase (decrease) in Depreciation Expense					(381,022)
47								
48			Adjustment to Revenues and/or Expenses					\$ (381,022)
49								
50			<u>SUPPORTING SCHEDULE</u>					
51			B-2, page 3					

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 3

Exhibit
Schedule C-2
Page 4
Witness: Bourassa

Rate Case Expense

Line
No.

1

2

3

Estimated Rate Case Expense

\$ 25,000

4

5

Estimated Amortization Period in Years

5

6

7

Annual Rate Case Expense

\$ 5,000

8

9

Test Year Rate Case Expense

\$ -

10

11

Increase(decrease) Rate Case Expense

\$ 5,000

12

13

Adjustment to Revenue and/or Expense

\$ 5,000

14

15

16

17

18

19

20

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 4

Exhibit
Schedule C-2
Page 5
Witness: Bourassa

Additional Revenues/Expense from Projected Customer Growth

Line
No.

1	<u>Projected Additional Revenues</u>	
2	Projected additional number of customers over next 5 years	400
3	Average 5/8x3/4 inch residential monthly bill during test year (H-2, page 1)	\$ 39.50
4	Additional monthly revenues	\$ 15,800
5	Number of months	12
6	Additional projected annual revenues	189,600
7		
8	Total additional annual revenues	<u>\$ 189,600</u>
9		
10	Increase(decrease) in Metered Revenues	<u>\$ 189,600</u>
11		
12	Adjustment to Revenue and/or Expense	<u>\$ 189,600</u>
13		
14	<u>Projected Additional Purchased Power Expense</u>	
15	Test year purchased power expense	\$ 59,605
16	Gallons sold (in 1000's)	24,435
17	Cost per 1,000 gallons	\$ 2.4393
18		
19	Projected additional number of customers over next 5 years	400
20	Average gallons treated per month	3,290
21	Additional gallons treated	1,316
22	Cost per 1,000 gallons	\$ 2.4393
23	Additional monthly pumping power expense	\$ 3,210
24	Number of months	12
25	Additional projected annual pumping power expense	\$ 38,517
26		
27	Increase(decrease) in Purchased Power Expense	<u>\$ 38,517</u>
28		
29	Adjustment to Revenue and/or Expense	<u>\$ 38,517</u>
30		
31		
32	<u>REFERENCE</u>	
33	Testimony	

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 2

Exhibit
Schedule C-2
Page 3
Witness: Bourassa

Property Taxes

Line No.	DESCRIPTION	Test Year as adjusted	Company Recommended
1	Company Adjusted Test Year Revenues - 2007	\$ 477,549	\$ 477,549
2	Weight Factor	2	2
3	Subtotal (Line 1 * Line 2)	955,098	955,098
4	Company Recommended Revenue	477,549	834,504
5	Subtotal (Line 4 + Line 5)	1,432,647	1,789,602
6	Number of Years	3	3
7	Three Year Average (Line 5 / Line 6)	477,549	596,534
8	Department of Revenue Multiplier	2	2
9	Revenue Base Value (Line 7 * Line 8)	955,098	1,193,068
10	Plus: 10% of CWIP - 2010	-	-
11	Less: Net Book Value of Licensed Vehicles	1,411	1,411
12	Full Cash Value (Line 9 + Line 10 - Line 11)	953,687	1,191,656
13	Assessment Ratio	18.0%	18.0%
14	Assessment Value (Line 12 * Line 13)	171,664	214,498
15	Composite Property Tax Rate - Obtained from ADOR	13.8445%	13.8445%
16	Test Year Adjusted Property Tax Expense (Line 14 * Line 15)	\$ 23,766	\$ 29,696
17	Tax on Parcels	-	-
18	Total Property Taxes (Line 16 + Line 17)	\$ 23,766	
19	Test Year Property Taxes	\$ 31,199	
20	Adjustment to Test Year Property Taxes (Line 18 - Line 19)	\$ (7,433)	
21			
22	Property Tax on Company Recommended Revenue (Line 16 + Line 17)		\$ 29,696
23	Company Test Year Adjusted Property Tax Expense (Line 18)		\$ 23,766
24	Increase in Property Tax Due to Increase in Revenue Requirement		\$ 5,930
25			
26	Increase in Property Tax Due to Increase in Revenue Requirement (Line 24)		\$ 5,930
27	Increase in Revenue Requirement		\$ 356,955
28	Increase in Property Tax Per Dollar Increase in Revenue (Line 26 / Line 27)		1.66134%
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			

Red Rock Ultiities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Adjustment to Revenues and Expenses
Adjustment Number 7

Exhibit
Schedule C-2
Page 8
Witness: Bourassa

Interest Synchronization

Line
No.

1				
2				
3				
4	Fair Value Rate Base	\$	936,312	
5	Weighted Cost of Debt		0.00%	
6	Interest Expense		\$	-
7				
8	Test Year Interest Expense		\$	-
9				
10	Increase (decrease) in Interest Expense			-
11				
12				
13				
14	Adjustment to Revenue and/or Expense		\$	-

15				
16				
17	<u>Weighted Cost of Debt Computation</u>			
18				Weighted
19		<u>Amount</u>	<u>Percent</u>	<u>Cost</u>
20	Debt	\$ -	0.00%	0.00%
21	Equity	\$ 4,378,460	100.00%	9.50%
22	Total	\$ 4,378,460	100.00%	9.50%

23
24
25
26
27
28
29
30

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Adjustment to Revenues and/or Expenses
Adjustment Number 8

Exhibit
Schedule C-2
Page 9
Witness: Bourassa

Line
No.

1 Income Tax Computation

	Test Year Adjusted Results	Adjusted with Rate Increase
2		
3		
4		
5		
6	Revenue \$ 477,549	\$ 834,504
	Operating Expenses Excluding Income Taxes 715,858	715,858
	Synchronized Interest -	-
7	Income Before Taxes \$ (238,309)	\$ 118,646
8		
9	Arizona Income Before Taxes \$ (238,309)	\$ 118,646
10		
11	Less: Effective Arizona Income Tax	
12	Rate = 0.0000% ¹	
13	Arizona Taxable Income \$ (238,309)	\$ 118,646
14		
15	Arizona Income Taxes \$ -	\$ -
16		
17	Federal Income Before Taxes \$ (238,309)	\$ 118,646
18		
19	Less Arizona Income Taxes \$ -	\$ -
20		
21	Federal Taxable Income \$ (238,309)	\$ 118,646
22		
23		
24		
25	FEDERAL INCOME TAXES:	
26	Effective Federal Tax Rate = 0.0000% ¹	
27		
28		
29		
30		
31		
32	Federal Income Taxes \$ -	\$ -
33		
34		
35	Total Income Tax \$ -	\$ -
36		
37	Overall Tax Rate 0.00%	0.00%
38		
39	Income Tax \$ -	\$ -
40	Test Year Income tax Expense 31,199	-
41	Adjustment to Income Tax Expense \$ (31,199)	\$ -
42		
43		

44 ¹ See work papers/testimony

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Computation of Gross Revenue Conversion Factor

Exhibit
Schedule C-3
Page 1
Witness: Bourassa

Line No.	Description	Percentage of Incremental Gross Revenues
1	Combined Federal and State Effective Income Tax Rate	0.000%
2		
3	Property Taxes	1.661%
4		
5		
6	Total Tax Percentage	1.661%
7		
8	Operating Income % = 100% - Tax Percentage	98.339%
9		
10		
11		
12		
13	<u>1</u> = Gross Revenue Conversion Factor	
14	Operating Income %	1.0169
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	<u>SUPPORTING SCHEDULES:</u>	<u>RECAP SCHEDULES:</u>
26	C-3, page 2	A-1
27		
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40		

GROSS REVENUE CONVERSION FACTOR

Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)
<u>Calculation of Gross Revenue Conversion Factor:</u>							
1	Revenue	100.0000%					
2	Uncollectible Factor (Line 11)	0.0000%					
3	Revenues (L1 - L2)	100.0000%					
4	Combined Federal and State Income Tax and Property Tax Rate (Line 23)	1.6613%					
5	Subtotal (L3 - L4)	98.3387%					
6	Revenue Conversion Factor (L1 / L5)	1.016894					
<u>Calculation of Uncollectible Factor:</u>							
7	Unity	100.0000%					
8	Combined Federal and State Tax Rate (Line 17)	0.0000%					
9	One Minus Combined Income Tax Rate (L7 - L8)	100.0000%					
10	Uncollectible Rate	0.0000%					
11	Uncollectible Factor (L9 * L10)		0.0000%				
<u>Calculation of Effective Tax Rate:</u>							
12	Operating Income Before Taxes (Arizona Taxable Income)	100.0000%					
13	Arizona State Income Tax Rate	0.0000%					
14	Federal Taxable Income (L12 - L13)	100.0000%					
15	Applicable Federal Income Tax Rate (Line 44)	0.0000%					
16	Effective Federal Income Tax Rate (L14 x L15)	0.0000%					
17	Combined Federal and State Income Tax Rate (L13 + L16)		0.0000%				
<u>Calculation of Effective Property Tax Factor:</u>							
18	Unity	100.0000%					
19	Combined Federal and State Income Tax Rate (L17)	0.0000%					
20	One Minus Combined Income Tax Rate (L18-L19)	100.0000%					
21	Property Tax Factor	1.6613%					
22	Effective Property Tax Factor (L20*L21)		1.6613%				
23	Combined Federal and State Income Tax and Property Tax Rate (L17+L22)			1.6613%			
24	Required Operating Income	\$ 88,950					
25	Adjusted Test Year Operating Income (Loss)	\$ (262,075)					
26	Required Increase in Operating Income (L24 - L25)		\$ 351,024				
27	Income Taxes on Recommended Revenue (Col. (F), L52)	\$ -					
28	Income Taxes on Test Year Revenue (Col. (C), L52)	\$ -					
29	Required Increase in Revenue to Provide for Income Taxes (L27 - L28)		\$ -				
30	Recommended Revenue Requirement	\$ 834,504					
31	Uncollectible Rate (Line 10)	0.0000%					
32	Uncollectible Expense on Recommended Revenue (L24 * L25)	\$ -					
33	Adjusted Test Year Uncollectible Expense	\$ -					
34	Required Increase in Revenue to Provide for Uncollectible Exp.		\$ -				
35	Property Tax with Recommended Revenue	\$ 29,696					
36	Property Tax on Test Year Revenue	\$ 23,766					
37	Increase in Property Tax Due to Increase in Revenue (L35-L36)		\$ 5,930				
38	Total Required Increase in Revenue (L26 + L29 + L37)		\$ 356,955				

Calculation of Income Tax:

39	Revenue	\$ 477,549	\$ 477,549	
40	Operating Expenses Excluding Income Taxes	\$ 715,858	\$ 715,858	
41	Synchronized Interest (L47)	\$ -	\$ -	
42	Arizona Taxable Income (L30 - L31 - L32)	\$ (238,309)	\$ (238,309)	\$ -
43	Arizona State Effective Income Tax Rate (see work papers)	0.0000%	0.0000%	0.0000%
44	Arizona Income Tax (L33 x L34)	\$ -	\$ -	\$ -
45	Federal Taxable Income (L33 - L35)	\$ (238,309)	\$ (238,309)	\$ -
46	Effective Tax Rate (see work papers)	0.0000%	0.0000%	
47	Federal Income Tax	\$ -	\$ -	
48		\$ -	\$ -	
49		\$ -	\$ -	
50		\$ -	\$ -	
51	Total Federal Income Tax	\$ -	\$ -	\$ -
52	Combined Federal and State Income Tax (L35 + L42)	\$ -	\$ -	\$ -

53 COMBINED Applicable Federal Income Tax Rate [Col. (D), L51 - Col. (A), L51] / [Col. (D), L45 - Col. (A), L45]
54 WATER Applicable Federal Income Tax Rate [Col. (E), L51 - Col. (B), L51] / [Col. (E), L45 - Col. (B), L45]
55

0.0000%
0.0000%

Calculation of Interest Synchronization:

56	Rate Base	\$ 936,312	\$ -
57	Weighted Average Cost of Debt	0.0000%	0.0000%
58	Synchronized Interest (L45 X L46)	\$ -	\$ -

	N/A
\$ 936,312	\$ -
0.0000%	0.0000%
\$ -	\$ -

(A)	(B)	(C)	(D)	(E)	(F)
Test Year			Company Recommended		
Red Rock Utilities, LLC - Wastewater Division			Red Rock Utilities, LLC - Wastewater Division		
Total	\$ 477,549	\$ 477,549	Total	\$ 834,504	\$ 834,504
Revenue	\$ 477,549	\$ 477,549	Revenue	\$ 834,504	\$ 834,504
Operating Expenses Excluding Income Taxes	\$ 715,858	\$ 715,858	Operating Expenses Excluding Income Taxes	\$ 715,858	\$ 715,858
Synchronized Interest (L47)	\$ -	\$ -	Synchronized Interest (L47)	\$ -	\$ -
Arizona Taxable Income (L30 - L31 - L32)	\$ (238,309)	\$ (238,309)	Arizona Taxable Income (L30 - L31 - L32)	\$ 118,647	\$ 118,647
Arizona State Effective Income Tax Rate (see work papers)	0.0000%	0.0000%	Arizona State Effective Income Tax Rate (see work papers)	0.0000%	0.0000%
Arizona Income Tax (L33 x L34)	\$ -	\$ -	Arizona Income Tax (L33 x L34)	\$ -	\$ -
Federal Taxable Income (L33 - L35)	\$ (238,309)	\$ (238,309)	Federal Taxable Income (L33 - L35)	\$ 118,647	\$ 118,647
Effective Tax Rate (see work papers)	0.0000%	0.0000%	Effective Tax Rate (see work papers)	0.0000%	0.0000%
Federal Income Tax	\$ -	\$ -	Federal Income Tax	\$ -	\$ -
	\$ -	\$ -		\$ -	\$ -
	\$ -	\$ -		\$ -	\$ -
	\$ -	\$ -		\$ -	\$ -
	\$ -	\$ -		\$ -	\$ -
Total Federal Income Tax	\$ -	\$ -	Total Federal Income Tax	\$ -	\$ -
Combined Federal and State Income Tax (L35 + L42)	\$ -	\$ -	Combined Federal and State Income Tax (L35 + L42)	\$ -	\$ -

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Summary of Cost of Capital

Exhibit
Schedule D-1
Page 1
Witness: Bourassa

Consolidated Capital Structure of Water and Sewer Division

Line No.	Item of Capital	<u>Adjusted End of Test Year</u>				<u>End of Protected Year</u>			
		Dollar Amount	Percent of Total	Cost Rate	Weighted Cost	Dollar Amount	Percent of Total	Cost Rate	Weighted Cost
1	Long-Term Debt	-	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.00%
2									
3	Member's Equity	4,378,460	100.00%	9.50%	9.50%	4,242,799	100.00%	9.50%	9.50%
4									
5	Totals	4,378,460	100.00%		9.50%	4,242,799	100.00%		9.50%
6									
7									
8									
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19									
20									

SUPPORTING SCHEDULES:

D-1
D-3
D-4
E-1

RECAP SCHEDULES:

A-3

Exhibit
Schedule D-2
Page 1
Witness: Bourassa

[illegible]

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Cost of Preferred Stock

Exhibit
Schedule D-3
Page 1
Witness: Bourassa

Line

No.

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End of Test Year

End of Projected Year

Description
of Issue

Shares
Outstanding

Amount

Dividend
Requirement

Shares
Outstanding

Amount

Dividend
Requirement

NOT APPLICABLE, NO PREFERRED STOCK ISSUED OR OUTSTANDING

SUPPORTING SCHEDULES:
E-1

RECAP SCHEDULES:
D-1

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Cost of Common Equity

Exhibit
Schedule D-4
Page 1
Witness: Bourassa

Line

No.

1

2

The Company is proposing a cost of common equity of 9.50% .

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17 SUPPORTING SCHEDULES:

18 E-1

19 Testimony

20

RECAP SCHEDULES:

D-1

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Comparative Balance Sheets

Exhibit
Schedule E-1
Page 1
Witness: Bourassa

Line No.		Test Year Ended 12/31/2013	Year Ended 12/31/2012	Year Ended 12/31/2011
1	ASSETS			
2	Plant In Service	\$ 12,262,555	\$ 12,225,586	\$ 12,215,061
3	Non-Utility Plant	-	-	-
4	Construction Work in Progress	-	-	-
5	Less: Accumulated Depreciation	(3,782,206)	(3,170,601)	(2,560,184)
6	Net Plant	<u>\$ 8,480,349</u>	<u>\$ 9,054,985</u>	<u>\$ 9,654,877</u>
7				
8	Debt Reserve Fund	\$ -	\$ -	\$ -
9				
10		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
11				
12	CURRENT ASSETS			
13	Cash and Equivalents	\$ 7,268	\$ 8,636	\$ 141,352
14	Restricted Cash	857,879	857,872	442,487
15	Accounts Receivable, Net	16,181	12,109	30,957
16	Inter-Division Receivable	492,077	373,211	143,210
17	Notes Receivable	-	-	-
18	Materials and Supplies	-	-	-
19	Prepayments	-	-	-
20	Other Current Assets	-	1,473	1,473
21	Total Current Assets	<u>\$ 1,373,405</u>	<u>\$ 1,253,301</u>	<u>\$ 759,479</u>
22				
23	Unamortized Debt Discount			
24	Other Deferred Debits			
25	Deferred Debits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
26				
27	Other Investments & Special Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
28				
29	TOTAL ASSETS	<u>\$ 9,853,754</u>	<u>\$ 10,308,286</u>	<u>\$ 10,414,356</u>
30				
31				
32	LIABILITIES AND STOCKHOLDERS' EQUITY			
33				
34	Member Equity	<u>\$ 2,052,396</u>	<u>\$ 2,659,151</u>	<u>\$ 2,619,525</u>
35				
36	Long-Term Debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
37				
38	CURRENT LIABILITIES			
39	Accounts Payable	\$ -	\$ -	\$ -
40	Current Portion of Long-Term Debt	-	-	-
41	Payables to Associated Companies	1,685,351	1,475,166	1,565,665
42	Security Deposits	-	-	-
43	Customer Meter Deposits, Current	-	-	-
44	Accrued Taxes	16,428	14,772	12,662
45	Accrued Interest	-	-	-
46	Other Current Liabilities	(770)	(113)	-
47	Total Current Liabilities	<u>\$ 1,701,009</u>	<u>\$ 1,489,825</u>	<u>\$ 1,578,327</u>
48	DEFERRED CREDITS			
49	Customer Meter Deposits, less current	\$ -	\$ -	\$ -
50	Advances in Aid of Construction	5,674,841	5,706,349	5,736,092
51	Accumulated Deferred Income Taxes	-	-	-
52	Contributions In Aid of Construction	549,043	549,043	549,043
53	Accumulated Amortization	(123,535)	(96,082)	(68,631)
54	Total Deferred Credits	<u>\$ 6,100,349</u>	<u>\$ 6,159,310</u>	<u>\$ 6,216,504</u>
55				
56	Total Liabilities & Common Equity	<u>\$ 9,853,754</u>	<u>\$ 10,308,286</u>	<u>\$ 10,414,356</u>
57				
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59				

SUPPORTING SCHEDULES:

RECAP SCHEDULES:
A-3

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Comparative Income Statements

Exhibit
Schedule E-2
Page 1
Witness: Bourassa

Line No.		Test Year Ended 12/31/2013	Prior Year Ended 12/31/2012	Prior Year Ended 12/31/2011
1	Revenues			
2	Flat Rate Revenue	\$ 275,731	\$ 255,172	\$ 249,063
3	Reclaimed Water Revenues	12,218	14,977	26,569
4	Other Water Revenues	-	5,438	-
5	Total Revenues	\$ 287,949	\$ 275,587	\$ 275,632
6	Operating Expenses			
7	Salaries and Wages	\$ 15,223	\$ 19,229	\$ 19,590
8	Employee Pensions and Benefits	930	4,980	4,547
9	Sludge Removal	7,538	7,603	10,787
10	Purchased Water	2,672	460	9,129
11	Purchased Power	59,605	57,827	58,137
12	Chemicals	-	-	-
13	Repairs and Maintenance	30,231	71,228	57,544
14	Office Supplies and Expense	3,283	3,515	3,658
15	Contractual Services - Engineering	-	-	-
16	Contractual Services - Mgmt Fee	56,000	56,000	46,000
17	Contractual Services - Legal & Accounting	32,485	47,825	31,345
18	Contractual Services - Other	220,686	205,767	231,140
19	Contractual Services - Lab/Testing	13,797	20,596	24,677
20	Rents	-	-	-
21	Transportation Expenses	-	-	-
22	Insurance - Vehicle	-	-	-
23	Insurance - General Liability	11,902	13,686	4,793
24	Insurance - Worker's Comp	-	-	-
25	Regulatory Commission Expense	-	-	-
26	Regulatory Commission Expense - Rate Case	-	-	-
27	Bad Debt Expense	-	-	-
28	Miscellaneous Expense	11,744	21,292	32,351
29	Sales Tax Expense	-	-	-
30	Depreciation Expense	584,152	582,965	581,828
31	Taxes Other Than Income	3,115	(4,580)	1,484
32	Property Taxes	31,199	29,544	25,323
33	Income Tax	-	-	-
34	Total Operating Expenses	\$ 1,084,562	\$ 1,137,937	\$ 1,142,333
35	Operating Income	\$ (796,613)	\$ (862,350)	\$ (866,701)
36	Other Income (Expense)			
37	Interest Income	4,859	1,976	2,266
38	Other Income	-	-	-
39	Interest Expense	-	-	-
40	Other Expense	-	-	-
41	Gain (loss) on Disposal of Equip	-	-	-
42	Total Other Income (Expense)	\$ 4,859	\$ 1,976	\$ 2,266
43	Net Profit (Loss)	\$ (791,754)	\$ (860,374)	\$ (864,435)

SUPPORTING SCHEDULES:

RECAP SCHEDULES:
A-2

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Detail of Plant in Service

Exhibit
Schedule E-5
Page 1
Witness: Bourassa

Line No.	Acct. No.	Plant Description	Plant Balance at 12/31/2012	Plant Additions, Reclassifications or Retirements	Plant Balance at 12/31/2013
1					
2	351	Organization	\$ 11,983	\$ -	\$ 11,983
3	352	Franchise	59,751	-	59,751
4	353	Land	6,538	-	6,538
5	354	Structures & Improvements	14,298	-	14,298
6	355	Power Generation	-	-	-
7	360	Collection Sewer Forced	-	-	-
8	361	Collection Sewers Gravity	5,978,394	-	5,978,394
9	362	Special Collecting Structures	-	-	-
10	363	Customer Services	-	-	-
11	364	Flow Measuring Devices	-	-	-
12	366	Reuse Services	26,931	-	26,931
13	367	Reuse Meters And Installation	-	-	-
14	370	Receiving Wells	-	-	-
15	371.0	Pumping Equipment	-	-	-
16	374.0	Reuse Distribution Reservoirs	280,411	-	280,411
17	375	Reuse Trans. and Dist. System	625,073	-	625,073
18	380.0	Treatment & Disposal Equipment	5,203,155	36,968	5,240,123
19	381.0	Plant Sewers	-	-	-
20	382	Outfall Sewer Lines	-	-	-
21	389	Other Sewer Plant & Equipment	-	-	-
22	390	Office Furniture & Equipment	10,039	-	10,039
23	390.1	Computers and Software	-	-	-
24	391	Transportation Equipment	8,224	-	8,224
25	392	Stores Equipment	-	-	-
26	393	Tools, Shop And Garage Equip	-	-	-
27	394	Laboratory Equip	790	-	790
28	396	Communication Equip	-	-	-
29	398	Other Tangible Plant	-	-	-

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TOTAL WATER PLANT

\$ 12,225,587 \$ 36,968 \$ 12,262,555

SUPPORTING SCHEDULES

RECAP SCHEDULES:

A-4
E-1

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Operating Statistics

Exhibit
Schedule E-7
Page 1
Witness: Bouras

Line No.		Test Year Ended <u>12/31/2013</u>	Prior Year Ended <u>12/31/2012</u>	Prior Year Ended <u>12/31/2011</u>
1	<u>WASTEWATER STATISTICS:</u>			
2				
3				
4				
5	Total Gallons Treated (in Thousands)	24,435	22,983	22,176
6				
7				
8				
9	Wastewater Revenues from Customers:	\$ 275,731	\$ 255,172	\$ 249,063
10				
11				
12				
13				
14	Year End Number of Customers	619	583	525
15				
16				
17	Annual Gallons (in Thousands)			
18	Treated Per Year End Customer	39	39	42
19				
20				
21				
22	Annual Revenue per Year End Customer	\$ 445.45	\$ 437.69	\$ 474.41
23				
24	Pumping Cost Per 1,000 Gallons	\$ 2.4393	\$ 2.5161	\$ 2.6216
25	Purchased Water Cost per 1,000 Gallons	\$ -	\$ -	\$ -

Red Rock Ultiities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Taxes Charged to Operations

Exhibit
Schedule E-8
Page 1
Witness: Bourassa

Line No.	Description	Test Year Ended 12/31/2013	Prior Year Ended 12/31/2012	Prior Year Ended 12/31/2011
1				
2				
3	State Income Taxes	\$ -	\$ -	\$ -
4	Federal Income Taxes	-	-	-
5	Payroll Taxes	3,115	(4,580)	1,484
6	Property Taxes	31,199	29,544	25,323
7				
8	Totals	<u>\$ 34,314</u>	<u>\$ 24,964</u>	<u>\$ 26,807</u>
9				
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Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Notes To Financial Statements

Exhibit
Schedule E-9
Page 1
Witness: Bourassa

Line

No.

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2 The Company does not conduct independent audits, reviews and/or compilations. Accordingly, there are no
3 notes which are typically associated with these financial statements. Management makes the following
4 notations to the financial statements contained herein:

5

6 **Significant Accounting Policies** - The Company prepares its financial statements in accordance with
7 accounting principles generally accepted in the United States of America and the accounting records of the are
8 are maintained in accordance with the uniform system of accounts as prescribed by the National Association
9 of Regulatory Utility Commissioners (USOA 1996). Significant accounting policies are as follows:

10

11 **Utility Plant** - Property, plant and equipment is stated at cost less accumulated depreciation provided on a
12 straight-line basis.

13

14 Depreciation rates for asset classes of utility property, plant and equipment are established by the
15 Commission. The cost of additions, including betterments and replacements of units of utility fixed assets are
16 charged to utility property, plant and equipment. When units of utility property are replaced, renewed or
17 retired, their cost plus removal or disposal costs, less salvage proceeds, is charged to accumulated
18 depreciation.

19

20 **Revenue Recognition** - Revenues are recognized on the accrual method. Under this method, revenue is
21 recognized when earned rather than when collected, and expenses are recognized when incurred rather than
22 when paid.

23

24 **Contributions in Aid of Construction** - Contributions in aid of construction (CIAC) are nonrefundable contributions
25 by developers and customers for plant expansion. In addition, this amount includes the remaining balance, if any,
26 of advances in aid of construction at the end of the repayment period. The contributions in aid of construction are
27 being amortized at a rate equal to the rate allowed for depreciation, as a reduction of depreciation expense

28

29 **Advances in Aid of Construction** - Customer advances for construction are subject to refund in accordance with
30 agreements approved by the Arizona Corporation Commission. Agreements provide for refunds which are typically
31 equal to 10 percent of annual water revenue generated from the expansion. The repayments are for a maximum
32 agreed upon period or until repaid in full. Any balance remaining at the end of the agreed-upon period for repayment
33 becomes a contribution in aid of construction.

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Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Projected Income Statements - Present & Proposed Rates

Exhibit
Schedule F-1
Page 1
Witness: Bourassa

Line No.		Test Year Actual Results	At Present Rates Year Ended 12/31/2014	At Proposed Rates Year Ended 12/31/2014
1	Revenues			
2	Metered Water Revenues	\$ 275,731	\$ 465,331	\$ 822,286
3	Unmetered Water Revenues	12,218	12,218	12,218
4	Other Water Revenues	-	-	-
5		<u>\$ 287,949</u>	<u>\$ 477,549</u>	<u>\$ 834,504</u>
6	Operating Expenses			
7	Salaries and Wages	\$ 15,223	\$ 15,223	\$ 15,223
8	Employee Pensions and Benefits	930	930	930
9	Sludge Removal	7,538	7,538	7,538
10	Purchased Water	2,672	2,672	2,672
11	Purchased Power	59,605	98,122	98,122
12	Chemicals	-	-	-
13	Repairs and Maintenance	30,231	30,231	30,231
14	Office Supplies and Expense	3,283	3,283	3,283
15	Contractual Services - Engineering	-	-	-
16	Contractual Services - Management	56,000	56,000	56,000
17	Contractual Services - Legal	32,485	32,485	32,485
18	Contractual Services - Other	220,686	220,686	220,686
19	Contr. Services - Water Testing	13,797	13,797	13,797
20	Rents - Equipment	-	-	-
21	Transportation Expenses	-	-	-
22	Insurance - Vehicle	-	-	-
23	Insurance - General Liability	11,902	11,902	11,902
24	Insurance - Worker's Comp	-	-	-
25	Regulatory Commission Expense	-	-	-
26	Regulatory Commission Expense - Rate Case	-	5,000	5,000
27	Bad Debt Expense	-	-	-
28	Miscellaneous Expense	11,744	11,744	11,744
29	Sales Tax Expense	-	-	-
30	Depreciation Expense	584,152	203,130	203,130
31	Taxes Other Than Income	3,115	3,115	3,115
32	Property Taxes	31,199	23,766	29,696
33	Income Tax	-	-	-
34				
35	Total Operating Expenses	<u>\$ 1,084,562</u>	<u>\$ 739,624</u>	<u>\$ 745,554</u>
36	Operating Income	<u>\$ (796,613)</u>	<u>\$ (262,075)</u>	<u>\$ 88,950</u>
37	Other Income (Expense)			
38	Interest Income	4,859	4,859	4,859
39	Other income	-	-	-
40	Interest Expense	-	-	-
41	Other Expense	-	-	-
42	Gain/Loss Sale of Fixed Assets	-	-	-
43	Total Other Income (Expense)	<u>\$ 4,859</u>	<u>\$ 4,859</u>	<u>\$ 4,859</u>
44	Net Profit (Loss)	<u><u>\$ (791,754)</u></u>	<u><u>\$ (257,216)</u></u>	<u><u>\$ 93,809</u></u>

SUPPORTING SCHEDULES:
C-1

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Projected Statements of Changes in Financial Position
Present and Proposed Rates

Exhibit
Schedule F-2
Page 1
Witness: Bourassa

Line No.		Test Year Ended 12/31/2013	At Present Rates Year Ended 12/31/2014	At Proposed Rates Year Ended 12/31/2014
5	Cash Flows from Operating Activities			
6	Net Income	\$ (791,754)	\$ (257,216)	\$ 93,809
7	Adjustments to reconcile net income to net cash			
8	provided by operating activities:			
9	Depreciation and Amortization	584,152	-	-
10	Depreciation Adjustments	-		
11	Changes in Certain Assets and Liabilities:			
12	Accounts Receivable	(4,072)		
13	Unbilled Revenues	(7)		
14	Materials and Supplies Inventory	-		
15	Prepaid Expenses	-		
16	Deferred Charges	-		
17	Notes Receivable	(118,866)		
18	Accounts Payable	1,656		
19	Intercompany payable	210,185		
20	Customer Meter Deposits	-		
21	Taxes Payable	-		
22	Other assets and liabilities	816		
23	Net Cash Flow provided by Operating Activities	\$ (117,890)	\$ (257,216)	\$ 93,809
24	Cash Flow From Investing Activities:			
25	Capital Expenditures	(36,969)	(10,000)	(10,000)
26	Plant Held for Future Use	-		
27	Changes in debt reserve fund	-		
28	Net Cash Flows from Investing Activities	\$ (36,969)	\$ (10,000)	\$ (10,000)
29	Cash Flow From Financing Activities			
30	Change in Restricted Cash	-		
31	Change in net amounts due to parent and affiliates	-		
32	Net Receipt contributions in aid of construction	-	-	-
33	Net receipts of advances in aid of construction	(31,508)	(31,508)	(31,508)
34	Repayments of Long-Term Debt	-	-	-
35	Dividends Paid	-	-	-
36	Deferred Financing Costs	-	-	-
37	Paid in Capital	184,999	-	-
38	Net Cash Flows Provided by Financing Activities	\$ 153,491	\$ (31,508)	\$ (31,508)
39	Increase(decrease) in Cash and Cash Equivalents	(1,368)	(298,724)	52,301
40	Cash and Cash Equivalents at Beginning of Year	8,636	7,268	7,268
41	Cash and Cash Equivalents at End of Year	\$ 7,268	\$ (291,456)	\$ 59,569

SUPPORTING SCHEDULES:

E-3

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Projected Construction Requirements

Exhibit
Schedule F-3
Page 1
Witness: Bourassa

Line

No.

1

Account

3

Number

Plant Asset:

Test Year

2014

4

351

Organization

\$

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5

352

Franchise

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6

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Land

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354

Structures & Improvements

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Power Generation

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9

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Collection Sewer Forced

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361

Collection Sewers Gravity

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Special Collecting Structures

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363

Customer Services

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364

Flow Measuring Devices

-

14

366

Reuse Services

-

15

367

Reuse Meters And Installation

-

16

370

Receiving Wells

-

17

371

Pumping Equipment

-

10,000

18

374

Reuse Distribution Reservoirs

-

19

375

Reuse Trans. and Dist. System

-

20

380

Treatment & Disposal Equipment

36,968

21

381

Plant Sewers

-

22

382

Outfall Sewer Lines

-

23

389

Other Sewer Plant & Equipment

-

24

390

Office Furniture & Equipment

-

25

390.1

Computers and Software

-

26

391

Transportation Equipment

-

27

392

Stores Equipment

-

28

393

Tools, Shop And Garage Equip

-

29

394

Laboratory Equip

-

30

396

Communication Equip

-

31

398

Other Tangible Plant

-

32

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34

35

36

37

Total

\$	36,968	\$	10,000
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Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Assumptions Used in Rate Filing

Exhibit
Schedule F-4
Page 1
Witness: Bourassa

Line

No.

- 1 Property Taxes were computed using the method used by the Arizona Department
- 2 of Revenue modified for ratemaking.
- 3
- 4 Projected construction expenditures are shown on Schedule A-4.
- 5
- 6 Expense adjustments are shown on Schedule C2, and are explained in the testimony.
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Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Revenue Summary

Exhibit
Schedule H-1
Page 1
Witness: Bourassa

Line No.	Meter Size	Class	Present Revenues	Proposed Revenues	Dollar Change	Percent Change	Percent of Present Water Revenues	Percent of Proposed Water Revenues
1	5/8x3/4 Inch	Residential	\$ 267,336	\$ 472,383	\$ 205,047	76.70%	55.98%	56.61%
2								
3	5/8x3/4 Inch	Commercial	948	1,675	727	76.70%	0.20%	0.20%
4	2 Inch	Commercial	7,584	13,401	5,817	76.70%	1.59%	1.61%
5								
6	Effluent		12,224	12,224	-	0.00%	2.56%	1.46%
7								
8	Total Revenues Before Annualization		\$ 288,092	\$ 499,683	\$ 211,591	73.45%	60.33%	59.88%
9								
10	Revenue Annualization:							
11	Revenues from Projected Growth		189,600	335,023	145,423	76.70%	39.70%	40.15%
12	(See Adjustment #4 on C-2, page 5)							
13								
14								
15								
16	Total Revenue Annualization		\$ 189,600	\$ 335,023	\$ 145,423	76.70%		
17	Subtotal Metered Revenues		\$ 288,092	\$ 499,683	\$ 211,591	73.45%	60.33%	59.88%
18	Subtotal Revenue Annualization		189,600	335,023	145,423.20	76.70%	39.70%	40.15%
19	Total Metered Revenues		\$ 477,692	\$ 834,706	\$ 357,014	74.74%		
20								
21	Misc. Revenues		\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
22	Reconciling Amount to GL		(143)	(202)	(59)	0.00%	-0.03%	-0.02%
23	Total Water Revenues		\$ 477,549	\$ 834,504	\$ 356,955	74.75%	0.00%	0.00%
24								
25								
26	<u>Revenue Reconciliation</u>							
27								
28	Revenue per bill count before revenue annualization		\$ 288,092					
29	Revenue per GL (sewer revenues)		\$ 287,949					
30	Accruals							
31	Adjusted Revenue per GL (sewer revenues)			287,949				
32	Difference			143				
33	Difference %			0.05%				
34	Tolerance %			0.50%				
35	Tolerance Amount + or -			1,440				
36								
37	Acceptable?							YES
38								
39								
40								
41								

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Customer Summary

Exhibit
Schedule H-2
Page 1
Witness: Bourassa

Line No.	Meter Size, Class	(a) Average Number of Customers at 12/31/2013	Average Consumption	Average Bill		Proposed Increase	
				Present Rates	Proposed Rates	Dollar Amount	Percent Amount
1	5/8x3/4 Inch Residential	564	-	\$ 39.50	\$ 69.80	30.30	76.70%
2							
3	5/8x3/4 Inch Commercial	2	-	39.50	69.80	30.30	76.70%
4	2 Inch Commercial	2	-	316.00	558.37	242.37	76.70%
5							
6	Effluent	5		194.03	194.03	-	0.00%
7							
8							
9	Total	573					

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Customer Summary

Exhibit
Schedule H-2
Page 2
Witness: Bourassa

Line No.	Meter Size, Class	(a) Average Number of Customers at 12/31/2013	Median Consumption		Median Bill		Proposed Increase	
			Present Rates	Proposed Rates	Dollar Amount	Percent Amount	Dollar Amount	Percent Amount
1	5/8 Inch Residential	564	\$ 39.50	\$ 69.80	30.30	76.70%	30.30	76.70%
2								
3	1.5 Inch Commercial	2	39.50	69.80	30.30	76.70%	30.30	76.70%
4	2 Inch Commercial	2	316.00	558.37	242.37	76.70%	242.37	76.70%
5								
6	Effluent	5	140.28	140.28	-	0.00%	-	0.00%
7								
8	Total	573						
9								

(a) Average number of customers of less than one (1), indicates that less than 12 bills were issued during the year.

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Present and Proposed Rates

Exhibit
Schedule H-3
Page 1
Witness: Bourassa

Line No.	Monthly Minimum Charge for:	Present Rates	Proposed Rates	Change	Percent Change
1	Meter Size (All Classes):				
2	5/8x3/4 Inch	\$ 39.50	\$ 69.80	\$ 30.30	76.70%
3	3/4 Inch	59.25	104.69	45.44	76.70%
4	1 Inch	98.75	174.49	75.74	76.70%
5	1 1/2 Inch	197.50	348.98	151.48	76.70%
6	2 Inch	316.00	558.37	242.37	76.70%
7	3 Inch	592.50	1,116.74	524.24	88.48%
8	4 Inch	987.50	1,744.91	757.41	76.70%
9	6 Inch	1,975.00	3,489.83	1,514.83	76.70%
10					
11					
12					
13	Effluent Sales (per acre foot)	\$ 300.00	\$ 300.00	-	0.00%
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37	NT = No Tariff				
38					

Red Rock Utilities, LLC - Wastewater Division
Changes in Representative Rate Schedules
Test Year Ended December 31, 2013

Exhibit
Schedule H-3
Page 2
Witness: Bourassa

Line No.	Other Service Charges	Present Rates	Proposed Rates
1	Establishment (collected only if customer sewer only)	\$ 15.00	\$ 15.00
2	Re-establishment (within 12 months)	**	**
3	Reconnection (Delinquent)	\$ 30.00	\$ 30.00
4	Minimum Deposit	*	*
5	NSF Check	\$ 25.00	\$ 25.00
6	Late Payment Penalty (per month)	1.50%	1.50%
7	Deferred Payment Finance Charge	1.50%	1.50%
8	Service Calls - Per Hour/After Hours(a)	\$ 50.00	\$ 50.00
9			
10			
11			
12			
13	* Per Commission Rule A.A.C. R-14-2-603(B)		
14	** Per Commission Rule A.A.C. R14-2-603(D) - Months off the system times the monthly minimum.		
15			
16			
17			
18	IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM		
19	ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE, AND FRANCHISE		
20	TAX. PER COMMISSION RULE 14-2-608D(5).		
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			

Red Rock Utilities, LLC - Wastewater Division
 Bill Comparison Present and Proposed Rates
 Meter Size: 5/8 Inch Residential

Exhibit
 Schedule H-4
 Page 1
 Witness: Bourassa

Present Bill	Proposed Bill	Dollar Increase	Percent Increase
\$ 39.50	\$ 69.80	\$ 30.30	76.70%

Present Rates:
 Monthly Minimum: \$ 39.50

Proposed Rates:
 Monthly Minimum: \$ 69.80

Average Usage	\$ -	\$ 69.80	\$ 30.30	76.70%
Median Usage	\$ -	\$ 69.80	\$ 30.30	76.70%

Red Rock Utilities, LLC - Wastewater Division
 Bill Comparison Present and Proposed Rates
 Meter Size: 5/8x3/4 Inch Commercial

Exhibit
 Schedule H-4
 Page 2
 Witness: Bourassa

<u>Usage</u>	<u>Present Bill</u>	<u>Proposed Bill</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
-	\$ 39.50	\$ 69.80	\$ 30.30	76.70%

Present Rates:
 Monthly Minimum: \$ 39.50

Proposed Rates:
 Monthly Minimum: \$ 69.80

Average Usage	\$ 39.50	\$ 69.80	\$ 30.30	76.70%
Median Usage	\$ 39.50	\$ 69.80	\$ 30.30	76.70%

Red Rock Utilities, LLC - Wastewater Division
 Bill Comparison Present and Proposed Rates
 Meter Size: 2 Inch Commercial

Exhibit
 Schedule H-4
 Page 3
 Witness: Bourassa

	Present Bill	Proposed Bill	Dollar Increase	Percent Increase
Usage	\$ 316.00	\$ 558.37	\$ 242.37	76.70%

Present Rates:
 Monthly Minimum: \$ 316.00

Proposed Rates:
 Monthly Minimum: \$ 558.37

Average Usage	\$ 316.00	\$ 558.37	\$ 242.37	76.70%
Median Usage	\$ 316.00	\$ 558.37	\$ 242.37	76.70%

Red Rock Utilities, LLC - Wastewater Division
 Bill Comparison Present and Proposed Rates
 Effluent

Exhibit
 Schedule H-4
 Page 4
 Witness: Bourassa

Meter Size:

Usage	Present Bill	Proposed Bill	Dollar Increase	Percent Increase #DIV/0!
1,000	0.92	0.92	-	0.00%
2,000	1.84	1.84	-	0.00%
3,000	2.76	2.76	-	0.00%
4,000	3.68	3.68	-	0.00%
5,000	4.60	4.60	-	0.00%
6,000	5.52	5.52	-	0.00%
7,000	6.44	6.44	-	0.00%
8,000	7.37	7.37	-	0.00%
9,000	8.29	8.29	-	0.00%
10,000	9.21	9.21	-	0.00%
12,000	11.05	11.05	-	0.00%
14,000	12.89	12.89	-	0.00%
16,000	14.73	14.73	-	0.00%
18,000	16.57	16.57	-	0.00%
20,000	18.41	18.41	-	0.00%
25,000	23.02	23.02	-	0.00%
30,000	27.62	27.62	-	0.00%
35,000	32.22	32.22	-	0.00%
40,000	36.83	36.83	-	0.00%
45,000	41.43	41.43	-	0.00%
50,000	46.03	46.03	-	0.00%
60,000	55.24	55.24	-	0.00%
70,000	64.45	64.45	-	0.00%
80,000	73.65	73.65	-	0.00%
90,000	82.86	82.86	-	0.00%
100,000	92.07	92.07	-	0.00%

Present Rates:
 Monthly Minimum:
 Gallons in Minimum
 Charge Per 1,000 Gallons
 All gallons \$ 0.92

Proposed Rates:
 Monthly Minimum:
 Gallons in Minimum
 Charge Per 1,000 Gallons
 All gallons \$ 0.92

Average Usage	194.03	\$	194.03	\$	-	0.00%
Median Usage	140.77	\$	140.77	\$	-	0.00%

Exhibit

Test Year Ended December 31, 2013

5/8 Inch Residential

Meter Size:

Page 1

Witness: Bourassa

[illegible]

Test Year Ended December 31, 2013

Meter Size: 5/8x3/4 Inch Commercial

Exhibit
Schedule H-5
Page 2
Witness: Bourassa

[illegible]

Test Year Ended December 31, 2013

Meter Size: 2 Inch Commercial

Exhibit
Schedule H-5
Page 3
Witness: Bourassa

[illegible]

Totals

Average Usage

Average Usage
Median Usage

Average # Customers

Change in Number of Customers

Red Rock Utilities, LLC - Wastewater Division
Test Year Ended December 31, 2013
Effluent

Meter Size:

Exhibit
Schedule H-5
Page 4
Witness: Bourassa

[illegible]

	5	5	5	11	6	7	8	6	6	5	6	63
Totals									Average Usage			210,751
									Median Usage			152,900
									Average # Customers			5
									Change in Number of Customers			1